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ARTES SCIENTIA VERITAS





FREE TRADE *v.* FAIR TRADE.



FREE TRADE

versus

FAIR TRADE.

Thomas Henry Farrer ^{BY THE LATE}
LORD FARRER,
(Some time Permanent Secretary of the Board of Trade.)

NEW EDITION WITH NOTES AND LATEST STATISTICS BY

C. H. CHOMLEY.

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PREFACE TO THIRD EDITION.

IN the Third Edition I have brought the statistics down to date, and, besides this, I have added, in Chapter II., some observations on the utterances of the latest champions of Protection—Lord Penzance and Mr. Henry H. Howorth. I have also added a chapter (XXV.) on the effect of Protection on wages and employment; another (Chapter XXVII.) on Protection to Irish manufactures; another (Chapter XXXV.) on the foreign trade of Germany; three more (*viz.* Chapters XLI., XLIII., and XLIV.) on the present depression in France, Russia, and Belgium; and another (Chapter XLV.) containing remarks on the present commercial depression generally. In writing these chapters I have availed myself largely of the very interesting reports made to the Royal Commission on the Depression of Trade by Her Majesty's representatives in foreign countries.

Since the previous editions were written many circumstances have changed. The hybrid, Fair Trade, has, by intercrossing with its parent species, largely reverted to the parent stock, and its defenders have almost dropped the mask by which they at first attempted to conceal the obnoxious features of Protection. The feeling for union with the Colonies has grown in strength. The depression in trade has

ceased to be a mere oscillation, and has assumed some symptoms of a more chronic character. All these circumstances would have led me, if the matter had been *res integra*, to make the book more logical in its arrangement by stating and explaining the principle of Free Exchange in the first instance, and then giving illustrations of the application of that principle to present circumstances and conditions ; to our relations with our Colonies and with foreign countries ; to our supplies of food ; to the present depression ; to the present condition of wages, prices, and profits. But, apart from the time and labour which such a recasting of the book would cause, I doubt if a total change of arrangement would be welcome to those who already know the book in its former shape, and I have therefore limited myself to the additions mentioned above, and to such other additions and alterations as are called for by change of circumstances.

For a revision of the figures I am indebted to Mr. G. J. Stanley, of the Commercial Department of the Board of Trade.

T. H. FARRER.

Abinger Hall, September, 1886.

PREFACE TO THE NEW EDITION.

WHEN the late Lord Farrer's * "*Free Trade v. Fair Trade*" was first published by the Cobden Club in 1881, it carried great weight in the fiscal controversy which was then occupying attention, and new editions were called for, the last appearing in 1887; while since the present agitation began it has been in great request by the friends of Free Trade, and is described by Mr. Vince in his pamphlet advocating Mr. Chamberlain's proposals, as "the most elaborate statistical defence of free imports." In order to show that its defence of free imports is as valid now as when in 1883 it convinced Mr. Chamberlain, the book has been revised and brought up to date. In the revision, I have added new figures and facts, and comments suggested by the events of the eighteen years which have elapsed since the last edition was published, but nothing except a little tabular matter has been omitted. Here and there new tables have been substituted for the old ones, but as a rule the old have been reprinted with additions, both because they were frequently necessary to illustrate the arguments of the author in the text, and because, in conjunction with the later statistics, they afford valuable data for comparisons between that date and this, which are not elsewhere easily obtainable.

The chapters on the commercial depression throughout the world since 1873 have been left without comment. Though their interest is chiefly historical, because there have been ups and downs of trade since then, the argument founded upon the facts of that time is based on principles just as valid now as when the book was written.

* Thomas Henry Farrer, first Baron Farrer, civil servant, was born 1819, died 1899; was educated at Eton and Oxford, appointed Assistant Secretary to the Marine Department 1850; Joint Assistant Secretary to the Board of Trade 1854; Permanent Secretary 1865 to 1886; was Vice-Chairman of the London County Council 1891.

In many places Lord Farrer illustrated his own reasoning, or exemplified that of his opponents, by quotations from contemporary magazines and newspapers. It would have been easy to replace or supplement these with similar extracts of to-day, but so essentially the same are the Protectionist or Fair Trade fallacies of 1903 and 1883, that this seemed to me not only unnecessary but undesirable, since every reader of the book who is acquainted with the latest Protectionist writing can scarcely fail to be struck with the fact that the opponents of Free Trade have learnt nothing and forgotten nothing in the last twenty years.

All the additions I have made to the book as last published (with the exception of tabular matter, which is simply brought up to date) are printed in a smaller type than the original, in order that the reader may easily distinguish my work from that of the author, and may follow the thread of his argument without difficulty where the matter is broken up by paragraphs containing comment or later figures. The careful study of this book necessitated in re-editing has impressed me more than ever with its fairness, its completeness, and its value in the fiscal controversy, and I hope that the new facts and statistics given in the present edition will bring it to the notice of readers who would otherwise regard it as out of date.

In the collection of the statistics and the compilation of the numerous tables which involved the more labour, in that the figures were extracted from a great variety of Blue Books before the Board of Trade's late publication on "British and Foreign Trade and Industrial Conditions" was available, I have received the most valuable assistance from Miss V. I. Chomley, M.A., who is responsible for the many calculations required in following out the late Lord Farrer's methods of summarising the statistical data.

C. H. CHOMLEY.

London, October, 1903.

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FREE TRADE *v.* FAIR TRADE.

PRELIMINARY.

CHAPTER I.

DIFFICULTY OF KNOWING WHAT TO ANSWER.

WHEN I was asked in 1880 by the president of the Cobden Club to write something in defence of Free Trade, it seemed to me—recollecting as I did the instruction in politics which I had received from the Corn Law Controversy—as if I had been asked to prove Euclid, or give a reason for the rules of Grammar. That Governments can by protective or prohibitory duties prevent and diminish, but cannot create or increase trade; that every tax on trade is a diminution of the produce of industry, felt most certainly and probably most severely by the country which imposes it; that it is just as unwise and unrighteous to prevent the number of men who make up a nation from buying their food and their clothes where they can get them best and cheapest as it would be to compel me to buy my bread from the nearest farmer or my coat from the nearest tailor; that a law which prevents the people of England from buying in France or America is in no essential respect different from a law which prevents the people of Middlesex from buying in Surrey or Lancashire; that every innocent operation of trade is necessarily an advantage to both parties concerned in it, and that to stop it by law is necessarily an evil to both;—all these, with the numerous consequences derived from them, appeared to me to be such elementary truths that I did not know where to begin.

Recognised
Principles.

Vagueness
of Attacks
on these
Principles.

Nor did I find much help when I looked into the public speeches and articles of Protectionists, Fair Traders, and Reciprocitarians. Loud assertions that the British workman is disgusted with Free Trade, and a convert to Protection; appeals to the prejudices and self-interest of special classes; allegations of national ruin, which everyone knows to be false; misstatements of historical facts which have happened within my own recollection; suggestions of the superior wisdom of Prince Bismarck or M. Thiers; imaginations of the grand imperial policy which Mr. Pitt or Mr. Huskisson would have followed had they been in the place of Sir R. Peel and Mr. Cobden; attacks on Cosmopolitanism and praise of Imperialism; denunciations of political economy, in which the ignorance of the writers was as conspicuous as the violence of their language; and general philippics against Radicals, Philosophers, and members of the Cobden Club;—in all this I could find little to answer, though much to grieve at.

Attacks on
Free Trade
Principles.

Allegations
of National
decay.

As to evidence of facts, I could find little or none. Appeals indeed there have been—*e.g.* in the *Quarterly**—from the general experience which is conveyed by the National statistics, to special cases, and appeals of this kind have latterly gained strength from the depression which undoubtedly exists at this moment in many important branches of trade. To this depression and its causes I shall refer in subsequent chapters.

Recent
Protection-
ist utter-
ances.

There has also, since the date of my first edition, been an abundance of writing and speaking—to be found partly in the publications of the Fair Trade League, partly in newspapers and periodicals—in support of Fair Trade principles. One thing is clear from them—*viz.* that Fair Trade and Protection are the same thing, and that the policy and arguments of Fair Traders are those which we fondly hoped had been silenced for ever in 1846. I find in these papers abundant attempts to show in one form or another that Governments can divert trade without restricting it; that they can forcibly transfer purchases from one country to another without raising prices; and that they can raise the price paid to the seller without raising the price paid by the buyer. I find, also, a

* *Quarterly*, 7th October, 1881.

constant use of statistics, which, from one cause or another, is insufficient, incomplete, or misleading. To quote or reply to all these statements in detail would be tedious, if practicable, but I trust that I shall be found to have omitted no argument which is of real or general importance.

In no essential do the facts of to-day differ from those of 1881, when Lord Farrer wrote. The commercial depression which he treated in detail has long since passed away, but disorganisation of business and a certain amount of temporary distress caused by the late Boer War are doubtless factors which have their weight in enabling Mr. Chamberlain and other Protectionists to find listeners when they revive once more the old quack fiscal remedies. And yet Germany, where Protection is in full force, has just passed through four years of the most acute depression, accompanied by an increase of £50,000,000 per year in the value of its exports. It is true that imperial necessities are urged by Mr. Chamberlain as reasons for his campaign. He declares that unless England taxes herself for the benefit of the Colonies the Empire must break up. But for this statement he produces no evidence, and it is practically disregarded by his followers, who write and speak the old fallacies, and misuse the latest statistics in precisely the same fashion as those to whom "Free Trade *v.* Fair Trade" referred in the 'eighties.

CHAPTER II.

RECENT PROTECTIONIST UTTERANCES—LORD PENZANCE IN THE "NINETEENTH CENTURY"—MR. HOWORTH IN THE "TIMES."

Lord Penzance.

It may be worth while, however, to notice one or two recent Protectionist utterances, if for the mere purpose of showing how little new can be said on that side of the question. Indeed, the gentlemen who now assume to instruct the public in Protectionist doctrines make a very curious impression on those of us who remember how this controversy was sifted out in the old Peel times. Their

Protectionists claim to be "practical men."

favourite plan is to set up some maxim or generalisation of the economists—often incorrectly or incompletely stated—without mastering either the reasons on which it was founded or the history of its adoption in practice. They then attack the writers and statesmen who have advocated and adopted Free Trade, as slaves to a formula, as upholders of theories and contemnners of facts, as beating the “everlasting tom-tom of Free Trade,” etc., and they claim to themselves the credit of being wise, practical men, whose mission it is to set right all this theoretical nonsense. They remind one of a clever schoolboy who, on being instructed for the first time in the law of gravitation, should say: “Is this really so? May not Sir Isaac Newton have been mistaken? Can one material body act at a distance on another material body? Do not trees grow upwards? Does not water rise in a sponge? Can it be possible that all bodies attract one another in this specific way? May not the whole doctrine be a delusion?” To all of which the teacher’s answer would be: “Don’t be quite so clever, and take a little more pains. Learn what Sir Isaac Newton really said and what he proved before you show your cleverness by taking objections. Be the more careful since what is with you only perverse ingenuity may become mischievous in the hands of self-interest and prejudice.”

Lord Pen-
zance’s
“Free
Trade
Idolatry.”

For instance, there are two articles of some pretence by a distinguished lawyer in the *Nineteenth Century* of March and April last, the title of which—viz. “The Free Trade Idolatry”—is a sufficient intimation of the point of view from which they are written. In these articles Lord Penzance begins by saying that he refers throughout to the Cobden Club pamphlets. He can scarcely have read mine; or, if he has, he has not understood it—which may be my fault. He has certainly not answered it. But I am consoled, for he has paid at least as little attention to a much more important source of knowledge—viz. the history of the great controversies from 1844 to 1849, by which the Free Trade policy was established. He starts his argument with the assertion that the promoters of Free Trade were more sanguine of its general adoption by all nations than the event has justified. This assertion is true. But when

Lord
Penzance’s
history.

he goes on to state that "upon this conviction the whole fabric of the new system rested:" and that "our present system of Free Imports is not *the* thing the national judgment approved when the Corn Laws were repealed," he is stating what is not the fact, and what he might have known not to be the fact if he had read the controversies of 1844 and the following years, and especially the great debates of 1843, 1844, and 1849.* I need not anticipate what I shall have to say on this point in Chapters XX. and LI. of this work. It is sufficient here to state that the principle on which the economists and statesmen of those days acted and professed to act was the principle that "*whether foreign nations maintain their own duties or not, it is for our interest to abolish ours.*" So much for Lord Penzance's history; now for his theory.

He opens this with the well-worn allegation that in consuming foreign goods the people of this country withdraw their demand for goods of English origin and thus injure the home producer, whilst the home consumer, he admits, and the home consumer alone, is benefited by increased cheapness.

Lord Penzance's theory, viz. that imports are independent of exports!

The doctrine of Free Imports, he says, settles the question in favour of the consumer, and against the producer, and he then notices, for the purpose of confuting it, the Free Trade argument, that imports necessitate exports, and thus benefit some class of home producers, as well as consumers. And the following is what he supposes to be a confutation. First of all he says that the purchases of each nation from the other are caused not by any calculation of the balance of goods exported and imported, but by the desires of the individuals of each nation for the goods of the other nation. This statement is true so far as it goes, but it is *nihil ad rem*, and it requires to be completed by adding the words "and such purchases are limited by their ability to pay for them"—an addition which might possibly have led Lord Penzance to sounder conclusions.

He then makes the new and wonderful discovery that our imports exceed our exports, and after quoting Mr. Mongredien, to show that this excess arises from the interest

* See Hansard, vol. 68 of 1843, vol. 73 of 1844, and vol. 106 of 1849.

due to us on our foreign investments, and other similar causes, thinks that he has scored a point by showing that, in addition to payments for goods exported in this year, we are also receiving in our imports payment for goods exported years ago, in the shape of interest on the money due for those goods. He thinks he has scored a further point in showing that, taking a series of years, there is a considerable fluctuation in the relation between imports and exports, so that the goods exported in any one year bear no fixed relation to the imports of that year. He then makes the further notable discovery that there are large and complicated balances between different nations, which are settled in some unexplained manner by the transfer of securities and in other ways. He asserts that the foreigner is paid for the goods that he sells us in money; but is apparently puzzled to know how it is that the foreigner gets his money, since we do not export money. In fact, he leaves the whole subject of international clearance of accounts in a dense haze. Out of this haze, however, he extracts the conclusion that we do not pay for our imports with exports, but in some other manner; and that the process, whilst it gives our consumers cheap goods, leaves our poor producers to be victimised by the foreign importer, and on the balance makes us poorer.

True theory
of imports
and ex-
ports.

Let us try and clear up Lord Penzance's haze. In the first place I will make him a present of the opinion that, if we are paying for our excess of imports by undertaking obligations to pay for them in the future—*i.e.* by running into debt—or if we are paying for them by re-transferring or cancelling the obligations under which the foreigner has now to pay interest to us, we are impoverishing ourselves and living on our capital. But it is notorious that the contrary is the case. We are lending to foreign nations and to our Colonies; we are extending our shipping and our invisible exports; we are, in the long run, year by year increasing our excess of imports; we are laying the world under tribute to us. We are clearly not running into debt for our imports, and we are not losing our capital. Under these circumstances I will ask Lord Penzance to consider a little more carefully how our imports are really paid for—how only they can be paid for. When he says that the

foreign importer is paid in the first instance in money, he is stating a half-truth, which leads to a complete misapprehension, and which conceals the real nature of the transaction. No money passes. The foreigner who sells goods to us is paid in an order for money, which he never converts into money. He uses it as an order for further commodities, and exchanges it accordingly. Whether he buys goods to be consumed by himself, or labour or services to be converted into commodities, or invests it, it is equally an order for certain goods and services; and it is these goods or services for which he really exchanges the goods which he sells to us. Whether what he buys are goods in the present, or in the future; whether they are goods made in our country, or goods made elsewhere to be exchanged for goods made in our country, or to be otherwise more circuitously exchanged, makes no difference. The real transaction is an exchange of goods or services, for goods or services.

What is true of the single trader is true of the aggregate imports of the country. They are not given to us. How then are they paid for? How alone can they be paid for? Not with gold, for we do not export gold. Not by a transfer of securities, for, as we shall see below, we are on this balance investing abroad largely. They can only be paid and accounted for in two ways. First, by the goods which we now export to pay for them; or, secondly, as a means of receiving and settling the interest due to us on foreign debts. But how were these foreign debts incurred? By the export of British goods or services in past years, and in no other way. Therefore goods imported to pay interest are really imported in exchange for goods or services which have been exported, and which constituted the material form in which the loans were made. Every tyro in economics knows that export and import statistics are very rough and imperfect forms of account, and that they can never be made to balance accurately. But so far as fluctuations in them are due to sending capital abroad for investment, and to receiving interest on that capital, these fluctuations are mere matters of account which would puzzle no business man, though they have left the acute-minded lawyer in a state of complete mystification.

But it may be said, and is said by some Fair Traders,

Goods are paid for by goods, past or present.

"These exports for investment, of which you speak, are things of the past; we have had the benefit of them: all that is happening now is the receipt of interest upon them. This comes in the shape of imports, which are, so to speak, gratuitous, and are therefore, so far as our producers are concerned, a pure evil." In fact, so runs this precious argument, we are the less well off because the world owes a large debt to us, which it pays principally in the form of food and raw materials. We are, then, the poorer because we get corn from America, India, and Australia in payment of debts which have been created by past exports of our own manufactures!

I do not attribute any such folly as this to Lord Penzance, but it seems to me the logical consequence of the doctrine that imports not immediately paid for by exports are an evil to the country.

But are our foreign investments things of the past? Are we not still continuing to lend and to export our loans in the form of British goods and British services?

Let us see in the rough how, according to the best statisticians, the account stands. The present excess of our imports over exports, as shown in the Board of Trade statistics, was £125,000,000 in 1880 and £94,000,000 in 1884. Of this not less than £50,000,000 is probably payment for what Mr. Giffen calls "invisible exports," viz. freights and profits earned by British shipping, which, though they do not appear in the official trade statistics, are just as much the produce of British industry as our cottons or our hardware. This would leave £75,000,000 in 1880, or £44,000,000 in 1884, to pay for interest on foreign investments. But this interest, no doubt, amounts to a much larger sum—probably to 100 or 125 millions; and consequently not only is our excess of imports accounted for, but there is, after allowing for the excess of our imports over our exports, a large surplus of the produce of British labour which we export as the material representative of the loans we are still making to foreign countries, and for which those countries will hereafter have to pay us interest in the form of imports.

The excess of imports over exports for 1902 was £179,000,000, but the contention that in spite of receiving this very large surplus the

United Kingdom is entitled to a greater excess still which is re-invested abroad, finds striking confirmation from the Protectionist economist of the *Daily Telegraph*, who submits the following :—

NATIONAL BALANCE SHEET FOR 1902.

| | |
|--|--------------|
| Exports of Home Produce | £283,000,000 |
| Re-exports of Foreign and Colonial Produce | £66,000,000 |
| Invisible Exports (freights and income from investments) | £190,000,000 |
| | <hr/> |
| Total | £539,000,000 |
| Deduct total imports | £528,800,000 |
| | <hr/> |
| Balance | £10,200,000 |

This is the balance as shown in the *Telegraph* publication, "Imperial Reciprocity." It was £5,000,000 larger a few weeks previously, when the articles—of which this book is a reprint—appeared; but since that time the writer has probably discovered that the balance shown by him cannot possibly be anything else than annual profit made by England in her foreign trade—a balance annually owing to us, though not received, but re-invested abroad. Hence his anxiety to take £5,000,000 off it is not unnatural. The £190,000,000 of invisible exports shown in this balance sheet is made up of £120,000,000 estimated income on foreign investments and £70,000,000 the earnings of British shipping. According to the latest Board of Trade return the earnings of British shipping probably amount to £90,000,000, in which case the annual balance re-invested abroad would amount to £30,000,000. And yet, such is the hopeless confusion of thought to which Protectionists are subject, the very article in which this balance sheet appears expresses the fear that we are spending all the interest on our savings of the past and living on our capital, though the writer has clearly demonstrated that, assuming his own figures to be correct, we are annually adding a large sum to our savings instead of drawing upon them.

Taking these facts into consideration, there is nothing whatever in the fluctuations of statistics to disprove the elementary proposition that trade is exchange, and that our imports are paid for by our exports; that imports involve exports, and *vice versa*; and that anything which limits imports must also limit exports. It is surely the "bottom" of Lord Penzance's argument, and not the bottom of the Free Trade argument, which tumbles out.

Having disposed, as he thinks, of this theory of Free Traders, Lord Penzance proceeds to demolish their

Lord
Penzance's
argument
from expe-
rience.

argument from experience, by attempting to show that our recent prosperity is due in a great measure to other causes, and that nations which have not adopted Free Trade have made as great progress as we have. Into this I do not care to follow him, especially since I have dealt with these questions in subsequent chapters.

The question is not whether Free Trade is the sole cause of commercial prosperity, but whether we in England do better with it or without it; and I believe that, if Lord Penzance will but pursue the economical studies he has so happily commenced, he will find that the ablest Free Traders—such as Mr. Fawcett and Mr. Gladstone—are as decided as he can be in condemning the short-sighted fanaticism which has too often treated our Free Trade policy as the sole factor of our commercial prosperity.

Having thus satisfied himself that, in theory and experience, the Free Trade argument fails, Lord Penzance recurs to his notion that cheapness to the consumer is the sole benefit to be derived from Free Imports; that cheapness is important in some cases, such as food and raw materials, but not in others, such as goods consumed by the wealthy; that employment is more important than cheapness; that cheapness may destroy employment, and that the Legislature ought to set itself the task of considering in the case of each particular article whether the community gains more by the cheapness of the foreign article than it loses by ousting the home producer from its market, and that it should fix its Custom Duties accordingly. A nice task for the Legislature! and a pleasant substitute for the self-acting rule which, if the Free Traders are right, produces not only cheapness to the consumer, but the maximum of profitable employment to the producer!

Lord
Penzance's
misrepre-
sentations
of Econo-
mists'
views.

In the course of this argument Lord Penzance, having in the previous paragraph upheld the supreme importance of cheap food, proceeds in the next to upbraid the Free Traders for asserting that the distress of the earlier part of this century was owing to dear bread, and throws in their teeth that the comparative prosperity of subsequent years was due, not to cheaper corn, but to more remunerative employment. But this is exactly what Cobden predicted as the result of repealing the Corn Laws, and the

complete fulfilment of that prediction is one of the strongest proofs of the truth of Cobden's theories.

It is perhaps not surprising that so young a student of economy as Lord Penzance should have imagined that "cheapness to the consumer" is the one end and aim which Free Traders have proposed to themselves. But I can assure him that, when he has read a little more, and more carefully, he will find that this is a vain imagination. What the earlier economists aimed at, what modern Free Traders desire, is not cheapness, but abundance—abundance of production, abundance of employment, abundance of consumption. Abundance is often shown by cheapness, but not necessarily so. Abundance may be consistent with high prices, full employment, and high wages. What Free Traders contend is, that the maximum of production, and of employment which is necessary to production, is to be obtained by allowing everyone to produce, sell, and buy as his own interest dictates; that any interference with this freedom is a restriction not only on consumption, but on production; and that any such restriction must diminish the aggregate production and employment, as well as the consumption, of the country.

But there is no test of an argument so good as the cases by which the author himself illustrates his position. Let us take the two illustrations which Lord Penzance gives us.

His first is the case of a piano. He assumes that it can be made in England at £30, and in France for £27. "The gain," he says, "to the consumer by buying the foreign article would be £3." But assuming one-half the price to be wages, "there would," he says, "be £13 or £14 lost to the British workman against the £3 gained by the consumer," and he leaves us to conclude that England loses £10 by the transaction.

Now, will Lord Penzance be kind enough to inform us whether the French pianoforte maker makes us a present of his piano, and if not, in what way he is paid? "In money or in securities," Lord Penzance will say. But we do not on the balance export either money or securities, and it cannot, therefore, be in that form that we pay for foreign goods. The French piano can only be paid for in goods—in something which some Frenchman wants more

Lord Penzance's illustrations of his theory.

French piano.

than the piano—and which he can get cheaper by importing it into France, just as the Englishman gets the piano cheaper by importing it into England. This something may be an article made in England, or an article made in India, and exchanged in the course of trade for an article made in England and exported to India; or the process may be more circuitous still. But in the end it resolves itself into an English want for a French article, satisfied by a corresponding foreign want, direct or indirect, for an English article. And the beneficent laws of trade, if let alone by human folly, provide that in satisfying these wants, each man, Frenchman, Englishman, Indian, or other, makes that thing which he can make best and cheapest.

Bradford
Woollens.

Lord Penzance's second case is that of woollen goods, in which, as is well known, a change of taste or fashion some years since caused a transfer of custom from Bradford to the French manufacturers—and Lord Penzance thinks it might well have been discussed whether it was not well to raise a part of the public revenue by a tax on these French goods. "The *worst*," he said emphatically, "that could be said against it would have been that the French goods would have been increased to this consumer by the extent of the duty."—No; that is not the worst which could be said against it. The desire of the English ladies for the French woollen goods could only be satisfied by sending something from England to France which the French desired more than their woollen goods, and which *ex hypothesi* England could make more successfully than she could then make woollen goods; and this manufacture as well as the French manufacture would have been stopped or restricted by this tax. As a matter of fact, I believe that what happened under a free *régime* was that the Bradford manufacturers improved their machinery and thereby re-established their trade, a result which would probably not have happened if they had been protected. I join with Lord Penzance in deprecating foolish changes of fashion and the evils they inflict on trade; but if the Government is to undertake the task of regulating human desires by checking the caprices of fashion, it will have a hard time of it.

I think I have now disposed of Lord Penzance's history, his theory, and his illustrations. Let us now consider his conclusions, which are somewhat hazy. He seems to incline to the Fair Trade programme which I discuss below, but the final result of his lucubrations is formulated by him in the following five propositions, viz. :—

"1. That the question of duty or no duty on any import is a separate question for each import and cannot be determined by any general rule.

"2. That no duty should be imposed save for purpose of revenue.

"3. That in selecting the articles on which duties should be imposed, it is advantageous to the community, *ceteris paribus*, that the duty should fall on any article in which the foreigner competes with the labour and skill of our own people.

"4. That it may be desirable, if practicable, so to regulate our tariff as to favour the productions of our Colonies and Dependencies in comparison with those of foreign countries.

"5. That the rule prohibiting the imposition of a duty on any foreign article, the like of which is produced at home, which now goes by the name of Free Trade, has no good reason for its support, was only adopted by this country as one part of that system of free and unfettered interchange of commodities which it offered to the rest of the world; an offer which, after the lapse of forty years, has never been accepted, and a system in consequence which never existed."

Considering the interest Lord Penzance has taken in a subject with which he is obviously unfamiliar, I am not without hopes that, if he continues his studies with the same zeal with which he has commenced them, he will eventually agree with me in coming to the following conclusions concerning his five propositions, viz. :—

The first of them, which deprecates any rule, is inconsistent with the second, third, and fourth, which propose rules.

The second, which makes revenue the sole object, is inconsistent with the third, which makes Protection the object. In proportion as a duty succeeds in Protection, it destroys revenue.

The third, simple Protection, and if adopted for manufactures, cannot be withheld from food and other articles.

The fourth is impracticable, as I have shown below.

The fifth is wrong in point of argument, and as a matter of fact and history is incorrect.*

* Lord Penzance's reply to Mr. Medley, in the September number of the *Nineteenth Century*, is rather disappointing. His lordship's progress in his economical studies would probably be greater if his tone and temper were less confident and more judicial. He seems now to have got the length of understanding that we do pay value for our imports, and to think that we do so by exporting securities, and thus cancelling debts which our Colonies and foreign countries owe us. Further study will probably teach him that this cannot be the case, because we are increasing our investments abroad, and our imports continue to increase. But it is something for so young a student to have found out that foreigners and Colonists do not give us their produce for nothing. In time, no doubt, he will realise the fact that we have paid, or are paying, them with produce of our own, and that the more they send, and the less we pay, the better the bargain for us.

Mr. Howorth.

Mr. Henry
Howorth in
the *Times*.

Cheapness
versus Em-
ployment.

Then comes Mr. Henry H. Howorth, who writes as the present Coryphæus of Protection, in the town which was formerly the cradle of Free Trade. The most remarkable fact about his lively chatter ("*a flood of inconsequent rhetoric*," is the term he uses himself concerning his most distinguished opponent) is that it has been allowed to fill nearly twelve feet in length of the valuable columns of the *Times*. His great discovery (I quote his own corrected statement of his argument from the *Times* of January 7th, 1886) is, "that dear commodities with employment are better than cheap ones with no wages to buy them with; and that commodities may be too cheap when they are cheaper than our people can make them profitably." If this means that a workman who now earns 5s. a day, and who spends that sum on necessities, will be worse off if his wages are reduced to 2s. and the cost of what he buys is reduced to 3s., it did not need six columns of close print in the *Times* to prove so self-evident a proposition. But for the purposes of Mr. Howorth's conclusions, which appear to be that we ought to exclude from this country all foreign goods which can be produced at a greater cost at home, the proposition is as worthless as it is self-evident.

To make his argument of any value, he would have to prove that by creating an artificial scarcity it is possible to create not only a general rise in prices, but a general demand for labour, a general increase of employment, and a general rise in wages still greater than the rise in prices. To state such an argument plainly is to prove its absurdity. General plenty cannot be caused by general scarcity. It is in the power of a Government to create scarcity. But to produce plenty by creating scarcity is beyond the power of any Government.

Mr. Howorth does not condescend to tell us what are the foreign articles he would exclude, but his principle, if good for anything, extends to all things which are, or can be, produced at home, but which are produced cheaper abroad. Food is one of these articles. Create a scarcity by excluding foreign food, and, says Mr. Howorth, the general demand for labour and real wages will rise in a

still higher proportion than the price of food. Such is the result of Mr. Howorth's six columns in the *Times*.

I once used to visit a remote rural village in the Midlands in which the general shop was kept by an old retired servant. For years she played a useful part in supplying the villagers with necessities and little luxuries. She kept herself, and she employed a girl or two to attend to the business. In the course of time the shopkeepers in the neighbouring towns discovered that there was a vein of custom to be tapped in the surrounding villages; they sent round their carts and supplied the villagers with necessities and luxuries, better, fresher, cheaper, and more varied than could be got at the poor old woman's shop. Her custom declined; her girls were dismissed; and at last her shop was shut up. Loud were her laments whenever we went to see her. The world was going wrong—and it was “all along of them 'orrid carts.” Mr. Howorth and his friends do little more than repeat, with varied emphasis, “Out on them 'orrid carts!”

I need not follow Mr. Howorth into the distinction which he draws between producers, who sell, and consequently desire to have things dear; and consumers, who buy, and consequently desire to have things cheap; as if we were not all of us, except the purely idle, both consumers and producers, and as if producers as well as consumers were not benefited by being able to buy and to sell when and where we find it most profitable. Nor need I follow him in his attack on capitalists, who, as he says, live on what they have got and who wish to buy cheap; as if capital were not, as Sir L. Mallet has pointed out, the fruit of past labour, and as if the owner of invested capital was not as eager for high prices and large profits as the poorest labourer he employs. If, however, Mr. Howorth wishes to tax capital because it is idle, and because its earnings are spent on luxuries, I would suggest to him that there is a way in which he can accomplish his object far more effectually and universally than by interfering with imported manufactures. Let him join the Radicals in imposing a graduated income tax, or some other similar form of direct taxation, and he will tap capital at the fountain-head.

Taxation
of idle con-
sumers.

Nor need I make a detailed examination of Mr. Howorth's wonderful doctrines on the subject of foreign investments. "English capital," he says, "is well and patriotically invested abroad when it is employed in producing there what we do not produce at home, and especially when it gains for its English owner profits arising from foreign protection. But it is badly and unpatriotically employed when it pays for the making or providing of goods abroad which might be made—at greater cost—at home." English capital may be used to grow French wine, but not to make French silks! A shareholder in the Pennsylvania or Illinois Railway is doing good to his own country when the railway carries raw cotton, but not when it carries corn or cattle! Looking to the whole of his letters it is clear that Mr. Howorth, like Lord Penzance, has never mastered the most elementary principle of the whole question, viz. that trade is exchange; and that if we buy something abroad we must pay for it with something we make at home better or cheaper than the thing we buy abroad.

Protection
and Wages.

But, Mr. Howorth may ask, How do you explain the support we have received? Why is it that not only foreigners, but some, at any rate, of our own Lancashire workmen have been led or misled by Protectionist leaders into approval of Protectionist doctrines? To answer this question has been one object of this book; and I have added to this edition a separate chapter on the particular point on which, so far as I can understand him, Mr. Howorth principally relies—viz. the relation between high prices and wages.*

* See Chapter XXV.

CHAPTER III.

PRELIMINARY CONSIDERATIONS CONCERNING FOREIGN COMPETITION AND THE WAY TO MEET IT—ATTITUDE OF OUR TRADERS IN FACE OF PRESENT DIFFICULTIES—STATEMENT OF QUESTIONS TO BE DISCUSSED.

BEFORE stating the questions which I propose to discuss, let me refer to one allegation which has been made in this controversy—to the effect that “it is the race for cheapness caused by foreign competition which has demoralised so many of our own industries, and brought English goods into disrepute in once valuable markets.” I need scarcely say that proofs or facts to substantiate this charge are, as usual, wholly wanting. Nor will I pause to ask whether the evil, if it exists, is to be remedied by making English goods dear, which would be the inevitable effect of Protection here, as it is now the effect of Protection in foreign countries; but I will quote a passage I have come across in a letter from Josiah Wedgwood, dated 21st April, 1771, more than a hundred years ago:—

Demoralisation of Manufacture by Foreign Competition.

“The potters seem sensible of their situation, and are quite in a panic for their trade, and indeed with great reason, for low prices must beget a low quality in the manufacture, which will beget contempt, which will beget neglect and disuse, and there is an end of the trade. But if any one warehouse distinguished from the rest will continue to keep up the quality of the manufacture, or improve it, that house may perhaps keep up its prices, and the general evil will work a particular good, and they may continue to sell ware at the usual prices when the rest of the trade can scarcely give it away.”

Josiah Wedgwood.

We may see from this that the apprehension of competition begetting cheapness, of cheapness begetting badness, and badness destruction of our trade, is not confined to the present generation, and existed when there was no foreign competition and abundant protection. We may also see what the clear-headed, stout-hearted Josiah Wedgwood thought to be the true way of meeting such

competition; and we may judge from the subsequent history of the potteries what the ultimate effects of his mode of meeting it have been—results wider, probably, than he ever contemplated.

Let me support this view by an extract from a more modern authority.

Sir Stafford
Northcote.

"We ought, I think, to put legislative remedies last, instead of first, in our system of inquiry. Of course, the great thing is to get the correct facts; then to ask whether the depression in any particular industry is temporary or chronic; and, if chronic, whether it is due to causes within our control. Sometimes we find ourselves face to face with impediments which are absolutely insuperable, and which it is but waste of time and strength to contend against. But more commonly I think there are remedies to be found in the exercise of greater skill, the employment of more capital, the opening up of new fields of enterprise. Anything seems to me better than endeavouring to get out of a difficulty by inferior work, which is what we are always tempted to try. If a farmer starves his land, if a manufacturer puts shoddy for cloth, and so on, he increases the permanent difficulties of his case, for the land becomes less productive, and the cloth loses its character and so loses its market. Foreign competition is, of course, one of the difficulties our working classes have to contend with; but that is a condition of our existence, and we must meet it in the best way we can."*

Present attitude of
our Traders
towards
German
and other
rivals.

If our traders act in the spirit of self-reliance advocated in the last century by Josiah Wedgwood, and more recently by Lord Iddesleigh, there is no fear of the result. But there are some indications of a different spirit, which alarm me more than foreign competition. From the reports given to the Royal Commission on the depression of trade, it is clear that many English manufactures are being displaced in civilised countries by home productions, and that English manufacturers are successfully competed with in neutral markets by those of other countries, and especially by those of Germany. This is only what might be expected, even if demand and supply were allowed to run their course unimpeded. We cannot expect to keep the

* Extract from a letter written by Lord Iddesleigh, then Sir Stafford Northcote to Mr. George Potter, dated 30th November, 1884, and published in the *Times*.

manufactures of this world to ourselves, and over many causes which lead to this result we have no control. But throughout these reports there is one feature which is calculated to cause alarm, and which is not beyond control. From all sides, from neutral markets as well as from competing countries, our Ministers and Consuls report that our foreign competitors—and especially the Germans—take far more trouble to ascertain the needs of the local market than we do ; that they have everywhere as agents countrymen of their own who can speak the native language, and who learn the native wants ; and that they take infinite pains so to manage and alter their manufacture as to meet these wants. If this is true, it is a thing which English traders have in their own hands, which they can set right if they will. If they do not do so they have only themselves to blame.

**Remedies
sought in
restriction
on others.**

It sometimes strikes me that the evils our traders now complain of, and the remedies they seek, differ from the evils and the remedies of which we used to hear in the early part of this century, in the palmy days of English trade. The complaints they then made were of obstructions to their own action, and the remedy they sought was the removal of those obstructions. They complained of apprentice laws ; of guild restrictions and monopolies ; of customs duties ; and of local exactions. What they now complain of is the action of their rivals, and what they seek are restrictions on competition. They desire more stringent patent laws ; they complain of the injury done by wrongful use of trade-marks ; they seek to prevent their competitors in business from getting lower railway rates than they themselves pay. The English farmer who finds foreign butter preferred to his own seeks to put restrictions on the sale of butterine. The Sheffield manufacturer seeks remedies against the German who sells his goods in England with English marks, and would carry his remedy to the extent of preventing the importation into England of any goods bearing English names. The English watchmaker, beaten in price by the Swiss and Americans, wishes to prevent the sale of hall-marked cases with foreign works. Adulteration and imitation are attacked, not because they are injurious to the consuming

public, but in order to prevent competition with the honest manufacturer.

Real cause
of German
success.

In many of these cases the complaints may be well founded and legal remedies may be desirable. But all these efforts have one common feature—they all propose to restrict the action of rivals, and they are calculated therefore to raise a suspicion that English traders may be attributing their want of success to the wrong cause. Practices such as those complained of may have some effect in diverting business from its proper channels. But they are not the chief or real causes of the success of the Germans or other competitors, and if they were put a stop to altogether that success would remain, and would probably remain unimpaired so long as they show the industry, the ingenuity, and the versatility to which I have referred above. If Englishmen can, as Josiah Wedgwood said a hundred years ago, keep up the quality of their manufactures; if they take pains to consult the wants of their customers; if, in a word, they rely on their own efforts, and not on restrictions to be imposed on their rivals, then there is no fear for the future of British trade.

Reaction
against
Free Trade
principles.

But since the time of the Corn Law controversy there has no doubt arisen a new generation, to whom much that was burnt into the minds of their fathers by a mortal struggle has become merely an accepted tradition. There have been downs as well as ups in trade, and these have—not without fault on the part of Free Trade advocates—been attributed to our Free Trade policy. There has been a wave of National, as opposed to Cosmopolitan, sentiment passing over the world, which, if it has produced its good effects in the consolidation of a Free American Union, and the unification of Italy and Germany (effects, it must be remembered, odious to many of our own Imperialists), has also produced its bad effects in the Franco-German war, in the Pan-Slavonic movement against Turkey, in the tide of Imperialism which has been sweeping over ourselves, in our Afghan and Egyptian troubles, in the French troubles in Africa, Madagascar, and Tonquin, in the adoption of a protective policy by the United States, and in the relapse into a similar policy evinced by some of the nations of Europe and by some of our own Colonies.

It is not amiss, under such circumstances, that we should be reminded that there is no such thing in politics as an "infallible dogma"; that everyone has a right to a "pious opinion"; that a great political party and its leaders have a perfect right to advocate Retaliation or Reciprocity or Fair Trade, or whatever other name or form a reversal of our existing policy may assume; and that that policy cannot exist, and ought not to exist, unless it is able to justify itself.

Pious
opinions.

There are, moreover, certain questions emerging out of the chaos of wild assertions, to which sensible and disinterested people, even though they may be resolute Free Traders, may justly require an answer, and which, perhaps, have not been as completely answered as they ought to be; such, for instance, as the following, viz. :—

Questions
deserving
an answer.

How is it that a period of excessive export—such as 1870–1875—is a period of undoubted prosperity, whilst a period of excessive import—like the subsequent period—has been a period of comparative depression?

If the French Treaty was right, and was followed by enormous increase of trade, is it not right to put ourselves in a position to make similar bargains by putting on duties which we can afterwards take off?

How is it that the trade of Protectionist or half-Protectionist nations—such as America, France, and Germany—has advanced as quickly as or more quickly than that of Free Trade England?

Does not the present attitude of the world towards Free Trade prove that the anticipations, and consequently the reasoning, of the Free Traders were wrong?

Can we do anything to promote trade with our colonies?

Questions such as these, taken by themselves, form detached parts of a great subject, and do not afford a satisfactory opportunity of dealing with the merits of Free Trade or of the objections which have been made to it. I was, therefore, very glad when an association was formed, comprising most of the persons who have been putting forward such objections, and when that association issued a programme in which its authors not only professed to state in short terms their reasons for departing from Free Trade, but placed before the world an outline of the new

policy which they would have us substitute for the commercial policy of the last forty years. Such a programme, however worthless in itself, affords a definite subject for discussion, in the course of which we have the great advantage of considering not only whether our present policy is absolutely good, a question which in this incomplete world it is seldom possible to answer with perfect satisfaction, but whether it is or is not better than other possible policies. I propose, then, first to state the effect of the programme of the Fair Trade League; to point out shortly the assumptions on which their proposal for a change of policy is founded; to show the groundlessness of those assumptions; and then to criticise at some greater length the two main propositions contained in their programme. In doing this, we shall have the opportunity of treating the incidental questions which I have mentioned above.

CHAPTER IV.

PROPOSALS OF THE FAIR TRADE LEAGUE.

Programme of League. THE programme of the Fair Trade League is not definite in its particulars, but its principal features are as follows :—

1. Raw materials of manufacture to be admitted free.
2. Food to be taxed when coming from foreign countries; to be admitted free when coming from our colonies and possessions. This taxation to be maintained for a considerable term, in order to give the colonies time to develop their products.
3. Tea, coffee, fruit, tobacco, wine and spirits to be taxed 10 per cent. higher when coming from foreign countries than from our own colonies. It is not clear whether it is intended that they or some of them are to be free from taxation altogether, when coming from the colonies.
4. Import duties to be levied upon the manufactures of foreign countries which now impose prohibitory

or protective duties on our manufactures ; such duties are to be removed in the case of any nation which will agree to take our manufactures duty free.

I am not aware that this programme has been altered since the date of my first edition. The subsequent publications of the League support, but do not materially vary, these proposals.

Mr. Sampson Lloyd, in his letters published in 1882, would have us impose a differential tax on all foreign products in favour of all our colonies, with the threat that if any one of them will not reduce their duties on our goods, we will withdraw the privilege from that colony, and tax their products as foreign.

Mr. Sampson Lloyd's letters.

Mr. Farrer Ecroyd has embodied his proposals in the following resolution, which has at any rate the merit of being more definite :—

Mr. Farrer Ecroyd's resolution.

“That, in view of the growing injury inflicted upon our industries by foreign tariffs, and the consequent importance of more rapidly developing the resources of India and the colonies, it is expedient to free ourselves as early as possible from the restraints of commercial treaties ; to abolish duties upon tea, coffee, cocoa, and dried fruits imported from British possessions ; to levy specific duties (in no case equal to more than 10 per cent. upon ordinary average values) upon the like articles, as well as upon wheat, flour, and sugar imported from foreign countries ; and also to impose an import duty upon foreign manufactures, with the notification that it should cease to operate, as against each nation, from the day on which such nation should admit British manufactures duty free.”

The recent agitation on the subject of the Colonies and Colonial Federation has given emphasis to the Colonial Policy of the Fair Trade League, and we hear in various quarters proposals embodying certain features of that policy.

All the Protectionist or Fair Trade proposals mentioned in these pages have their supporters at the present time, except, perhaps, the very logical one (speaking from a Protectionist standpoint) that the colonies which refuse to reduce their duties on British goods shall have their own goods taxed as though they were foreign produce. Any

idea of retaliating against a colony, though in tariff matters it should be as actively hostile to the United Kingdom as any foreign country, has been piously repudiated by the Balfour Government. It has also excluded from its official programme any proposals to tax food, and Mr. Balfour asks no more at present than liberty to enter into tariff negotiations with other countries on the understanding that their failure to grant tariff concessions may be met by retaliatory duties in the United Kingdom. He has, however, declared his sympathy with Mr. Chamberlain in the latter's unofficial Protectionist campaign, of which the declared objects are to impose a 10 per cent. duty on manufactured goods imported into this country; to tax foreign corn—with the exception of maize—at 6d. per cwt.; and foreign meat—with the exception of bacon—and foreign dairy produce at 5 per cent. *ad valorem*, all these articles when imported from any part of the British Dominion being allowed to enter the United Kingdom free of duty.

The
vagueness
of these
proposals,

Before dealing with the Fair Trade programme as a practical proposal, several questions would have to be asked and answered, *e.g.* :—

1. What is meant by *raw materials*, and what is meant by *manufactures*, and what is the economical distinction between the two? This is a question which has not always received the attention it deserves, even at the hands of economists.
2. What would be the effect on the revenue of the practical abolition of the duties on tea and coffee and fruit? As a measure of economical and social reform, it would, of course, if the revenue admits of it, be welcome to every Free Trader.
3. Is it intended that food shall be admitted free from all our colonies, even where they levy protective or prohibitory duties on the produce and manufactures of the United Kingdom? And if not, is there to be a tariff bargain in each case?
4. Are the manufactures of the colonies to be admitted free, even where they place a protective or prohibitive duty on the manufactures of the United Kingdom?

Two great
Principles.

These questions raise serious questions of principle and practice, the discussion of which might prove awkward

to the Fair Traders, and which in general are, probably from this reason, purposely left obscure. But there is sufficient intimation of two general principles, viz. :—

First, that we should depart from our present principle of neutrality, and that our trade with our own colonies and possessions should be artificially encouraged by means of an artificial discouragement of our trade with foreign nations.

1. Encouragement of Colonial Trade.

Secondly, that we should place retaliatory duties on the manufactures of all countries which place duties on our manufactures.

2. Retaliation on Foreigners.

These principles I propose to discuss.

There is one preliminary difficulty : The advocates of this new policy, like the other writers and speakers to whom I have referred above, instead of prefacing and supporting their proposals for so great a change by an appeal to evidence which it might be possible to sift, content themselves with general assumptions, which may be denied by those who disbelieve them, but which it is difficult to disprove without a wearisome array of facts and figures. Thus it is assumed that our industries are permanently depressed and decaying ; that the excess of imports above exports is a sign of this decay ; and that we are losing our position as manufacturers in the markets of the world. These assumptions have been dealt with already in speeches by Mr. Gladstone, Mr. Chamberlain, Mr. Cross, and Mr. Slagg ; in Mr. Whittaker's article in the October number of the *Nineteenth Century* of 1880 ; in Mr. Mundella's speech on Mr. Mac Iver's motion on November 1st, 1884 ; in Lord Granville's reply to Lord Dunraven on November 7th, 1884 ; in Mr. Williamson's article in the January number of the *Fortnightly*, 1884 ; in the publications of the Cobden Club ; in Mr. Giffen's published papers ; in many articles of the *Times*, in the *Statist*, *Economist*, and other newspapers, and have been conclusively disproved. The most important as well as the most recent information on this subject will be found in the tables given to the Royal Commission on the depression of trade by Mr. Giffen and Mr. West, and printed in the Appendix to their First Report, 1885.

Assumed National decay.

These Assumptions answered already.

It has been shown that, taking all the usual tests of

national prosperity—the returns of trade, of shipping, of the income tax, of banking, of pauperism, of crime, of the general consumption of articles of food and luxury—the progress of the country as a whole has been, beyond doubt, great and continuous; that recent depressions and fluctuations are such as have taken place at all times, and as can be explained by special causes, to some of which I shall have to recur below; and that if there is anything exceptional in the present depression it is due to a general cause which operates on all nations, without regard to the question whether they are Free Traders or Protectionist. No answer has been given to these figures, except statements concerning the well-known depressions in certain businesses, and appeals from general experience to the particular evidence of special observers in particular cases.

Table
containing
statistics of
condition
of England
since 1840.

For convenience of reference, I have added in the Appendix a table, No. XXVI., containing a summary of the statistics of the population of the United Kingdom, and of facts relating to their condition, so far as the same can be obtained, from 1840 to the present time. It comprises the following items, viz.:—Number of population, national revenue, national debt, local taxation, income tax, education, emigration, pauperism, crime, foreign trade, shipping, railways, clearing house and Bank of England returns, savings banks, production of coal and iron, price of wheat, consumption per head of spirits, tea, sugar, and imported flour, and letters delivered. It is scarcely necessary to observe that such statistics are always more or less incomplete; that they must be read with care; and that particular conclusions must be drawn with caution. But they present a synoptic view which is sufficiently accurate for general purposes, and which leads with certainty to the general conclusion that the industries of our people are not failing, that their condition is not deteriorating, and that the nation is not in a state of decay.

Beyond this I will not attempt to enter upon any general examination of the state of the country, and we may proceed at once to examine on their merits the two leading principles of the Fair Traders—viz. a new Colonial Policy, and Retaliation upon Foreign Nations. In doing so I shall have occasion to touch again on some of the

above topics. In discussing these principles, I shall not confine myself to the actual proposals of the Fair Trade League, but shall endeavour to see whether the principles they advocate, which are not devoid of a certain superficial plausibility, are capable of any practical application, even though that application is not contained in the Fair Trade programme.

PART I.

NEW COLONIAL POLICY.

CHAPTER V.

GENERAL CHARACTER OF THIS POLICY.

A great
National
policy.

THE Fair Trade League propose their new policy not only as a measure of economical reform, by which, as they say, Freedom of Trade would be in substance promoted, and our production and wealth increased, but as a "Great national policy which, while stimulating trade at home and promoting the prosperity of all classes, would bind together more closely by the ties of a common interest the mother country and her scattered populations, strengthening the foundations and consolidating the power and greatness of the empire."

Imperial-
ism.

To some of us these words may appear not a little suspicious. They are not ill calculated to attract those who think that the glory of England consists in the extent of territory subject to her imperial sway, in domination over subject peoples, in superiority of strength, and in her power to inspire fear in the other nations of the world. But they are capable of a more innocent construction; they may mean only that whilst free and peaceful intercourse is to be desired amongst all mankind, it is especially to be desired and promoted amongst those who have sprung from the same origin, who have the same history, who speak the same language, whose lives are ordered by the same laws and customs, and who are subject to the same form of government. If this is their true meaning, it is not for the Cobden Club—whose motto is "Free Trade, peace, good-will amongst nations"—to object to such a policy, nor would I say one word against it. To improve and render more cordial the relations between the United

Kingdom and our great English-speaking and self-governing colonies would, indeed, be a labour worthy of a statesman, or of a generation of statesmen. But the British Empire is made up of very different elements. To deal with Canada or Australia, on the one hand, and with India or Ceylon on the other, as united with us by the same relation, and capable of being dealt with in the same manner, is to confound things which are really distinct. Even in our purely commercial relations with these different countries there are, as will be seen below, great differences; and in all the political relations by and through which the proposed new commercial policy is to be carried out the differences are still greater. There is, therefore, great reason to view with suspicion any plan which proposes to apply one and the same policy, and that an entirely new and experimental policy, to all these different communities, and it is, at any rate, necessary to subject it to the strictest examination. If, upon such examination, it can be shown that the policy in question is founded on a misapprehension of existing facts, that its economical consequences to the colonists and to the mother country will not only not be what its advocates anticipate, but will be injurious to them both, and that, so far from strengthening the friendly relations of the colonies to the mother country, such a policy is calculated to cause ill-will and to precipitate disruption, then we may, without hesitation, discard this latest product of Protection and Imperialism, as we have discarded other follies of the kind.

Suspicious character of this policy.

At the present moment, when all England is crowding to the Colonial show at South Kensington, and ringing with the cheers given to our Colonial visitors, and with their enthusiastic expressions of loyalty, it may be unwelcome, and may seem ungracious, to say one word that appears to throw cold water on the generous and patriotic feelings thus evinced.

Present feeling about the Colonies.

But two reflections are aroused by these demonstrations which may not be out of place here.

My first reflection is purely commercial. To an economist, or to a man of business, and I think also to any person of average intelligence, the real interest of the Colonial Exhibition lies in the articles which can be

Exhibition of Colonial manufactures

produced in the Colonies, and which cannot be produced, or cannot be equally well produced, here. It was with something like a feeling of melancholy that I walked through bazaars of articles rivalling Oxford Street or the Palais Royal in finish, in fashion, sometimes in ugliness, and reflected that many of them, and other articles of more importance, exhibited at South Kensington, have been forced into unnatural existence by foolish Colonial tariffs, to the detriment of many other useful and natural products of the Colonies—products which Europe cannot produce herself, and which she would gladly buy from Asia, Africa, and America. It is to be hoped that, if the Colonial Exhibition is made perpetual, its managers will bear this in mind. It will be always interesting to see what the Colonies can do for us which we cannot do better for ourselves. But we do not want an everlasting Colonial Regent Street or Cheapside at South Kensington.

Imperial
and Colo-
nial ideals.

My second reflection was a wider and a more serious one. I asked myself what this ebullition of Imperial feeling really means. Does it mean that the whole Anglo-Saxon race—I use the word advisedly—shall endeavour to live, act, and feel as if they were one people; that they shall join in spreading free institutions—freedom in thought, freedom in speech, freedom in government, freedom in trade—over the face of the world; and that they shall be prepared, when such interests as these are imperilled, to stand shoulder to shoulder in defence of them? If so, God speed the cause!

Or does it mean that England and her Colonies are to enter into a League for the purpose of excluding, brow-beating, over-awing, or fighting the rest of mankind? Does it mean that England is to cease to buy her food and raw materials, and our Colonies their manufactured goods, under any flag but our own; that English artisans are to be taxed in order to sweep United States fishermen out of the Bay of Fundy, German colonists out of South Africa, or French or German settlements out of the Islands of the Pacific; and that, on the other hand, the blood of Canadians, of Australians, and of Hindoos shall be poured out to help England in filibustering or muddling in Turkey, in Egypt, or in Afghanistan? If this is the object, we

shall have need of a new Cobden ! The alternative is one of the most important which has ever been presented for our choice. It will not, of course, be presented in the bald form in which I have stated it. But the question is one which will undoubtedly, in some form or another, pervade our future policy, and it is most important that we should make up our minds what is our ideal, and to which of the two tendencies we incline.

Recent events have at the same time thrown light on the ideal which the present day Protectionists set before them, and have shown the utter falsity of the pretence that it needs tariff bargains to unite all parts of the Empire in any common cause. Mr. Chamberlain is deliberately appealing to prejudice against, and dislike of, foreigners in order to forward his tariff schemes where he finds them economically unacceptable, although the late war has conclusively shown that all her Colonies are ready to rally to England's side when, for good or evil, she is involved in war. The tightening of imperial bonds which is involved in the preferential tariff, and which is put forward as compensation for dear bread, is demonstrably totally unnecessary to unite the Empire for defence, and its object, therefore, seems to be its more effective organisation for the purpose of aggression.

CHAPTER VI.

ASSUMPTION THAT OUR COLONIAL TRADE IS MORE STEADILY INCREASING AND LESS FLUCTUATING THAN OUR TRADE WITH FOREIGN COUNTRIES.

At the bottom of the new Colonial Policy lie two assumptions, which, though stated with the vagueness which characterises all the Fair Trade arguments, are no doubt to be implied from their programme. These are, first, that whilst our profitable trade with foreign countries is both unsteady and declining, our profitable trade with our own Colonies is steadily increasing ; and, secondly, that

Superior growth and steadiness of Colonial Trade assumed.

our own Colonies are more and more ready and willing to receive our goods, whilst foreign nations are more and more disposed to reject them.

I propose to deal with these two assumptions successively, and shall be able to show that neither of them can be accepted as true. Those who are satisfied already that these assumptions are unfounded; that our trade with foreign countries is as valuable to us as our trade with our Colonies; and that the trade of all countries is so bound up together that to limit one branch is to limit others also, may pass over the long array of facts and figures contained in this and the two following chapters, and go on to Chapter IX.

Fair Trade
allegations
of superior
growth
and profit
of Colonial
Trade.

Let us see what the Fair Trade League say in favour of the first of these assumptions. They give, in this programme, as the chief reason for the proposal to tax foreign food, and admit Colonial food free, that it will "transfer the great food-growing industries we employ from Protective foreign nations, who refuse to give us their custom in return, to our own Colonies and dependencies, where our goods will be taken, if not duty free, yet subject only to revenue duties almost unavoidable in newly-settled countries, and probably not equal to one-third of the Protective duties levied by the United States, Spain, Russia, etc."; and to this is appended the following amazing note:—"Even at the present time every quarter of wheat imported from Australia affords us in return sixteen times as much trade and employment as a quarter of wheat imported from the United States, and every quarter of wheat imported from Canada thirty-five times as much as one imported from Russia"!!

Mr. Farrer Ecroyd, again, who, in his article in the October number of the *Nineteenth Century*, 1881, made himself the expositor of the Fair Trade programme, says:—"Had it (viz. the £30,000,000 of produce which he assumes to have been lost by our bad harvests) been purchased from our own Colonists, the money would have come round again, and have given employment to all our industries, as an immensely increased export of our manufactures would have paid the bill." And again:—"Our experience teaches us that in buying food from our Colonies we enjoy

a return trade in our manufactures at least twenty times larger per head than with the Americans and Russians." And again :—" Assuming that we shall purchase food produced in our own dominions *as cheaply* as it now is purchased in the United States or in Russia, experience assures us that we shall obtain in exchange for the purchase of it a dozen or twenty times more employment for home industries than we now do."

It is really difficult to get at what is in the brains of men who make such statements. It would seem that they think that the simple export of British goods without payment is *per se* a good to this country ; that Australia gets (say) sixteen or twenty times as much of our manufactures in payment for a quarter of wheat as Russia or the United States get ; and that, therefore, it is of the utmost importance to us to transfer our custom from Russia and the United States, to whom we pay so little, to Australia, to whom we pay so much. But it is the facts, not the reasoning, of these passages with which I have now to do. Mr. Farrer Ecroyd continues :—" In connection with this subject, let anyone carefully study not only the very large value of British manufactures purchased annually per head by the inhabitants of our Colonies as compared with the Americans, but also the remarkable steadiness of the Colonial demand as compared with the violent fluctuations in that of the United States. And, further, let him examine the expansion during the past twenty-five years of the outlet for our manufactures in India and our Colonies, compared with the stunted growth, or positive decline, of the trade to foreign high-tariff markets. He will then be able to form some idea of the demand upon our industries that would accompany the gradual transference to India and the Colonies of the growing of fifty million pounds' worth of food, now annually imported from the United States and Russia ; and, bearing in mind that the economic gain from that increase of employment, however great, would probably be of far less value than the moral and social results of its superior steadiness, he will begin to appreciate more fully the importance of this great question to our labouring population."

Absurdity
of their
reasoning.

Their evidence of the alleged fact.

These statements are very vague ; but the impression which they convey concerning the facts of the Colonial trade is shared by many persons who are not members of the Fair Trade League, and there is some evidence which may be fairly quoted in favour of it. There is, especially, one passage much quoted and relied on, which is both specific and accurate, and which, therefore, it is worth while to give at length. It is from an official report of the Board of Customs,* and is as follows :—

“ EXPORTS.”

“ Produce and Manufactures of the United Kingdom.”

Customs
Report of
1881.

“ The value of the produce and manufactures of the United Kingdom exported to foreign countries and British possessions in the year 1880 was as follows, namely :—

| | |
|-------------------------------|-------------|
| Foreign Countries | 147,806,267 |
| British Possessions | 75,254,179 |
| Total | 223,060,446 |

showing an increase of £31,528,688 upon the value of similar exports in the year 1879, or 16½ per cent., and by assigning to each of those divisions its proportion of the increase, we find that the value of the goods exported to foreign countries exceeded that of 1879 by £17,276,620, or 13½ per cent., and that the value of goods sent to our Colonies and dependencies was greater by £14,252,068, or 23½ per cent., than in 1879.

“ The following table shows the percentage of difference in a series of ten years between the value of the export trade in goods of home manufacture to foreign countries and British possessions respectively, on a comparison of the figures of a given year, with those of the year preceding, namely :—

* Parliamentary Paper, No. c. 2953, 1881, p. 19. Observations having a similar tendency occur in the Reports of the Customs for subsequent years, but I will not occupy space by quoting them.

| Year. | Total Value of Exports. | Value of Exports to Foreign Countries. | Value of Exports to British Possessions. | Proportion of Foreign Countries to Total. | Proportion of British Possessions to Total. |
|-------|-------------------------|--|--|---|---|
| | £ | £ | £ | Per Cent. | Per Cent. |
| 1871 | 223,066,162 | 171,815,949 | 51,250,213 | 77·0 | 23·0 |
| 1872 | 256,257,347 | 195,701,350 | 60,555,997 | 76·4 | 23·6 |
| 1873 | 255,164,603 | 188,836,132 | 66,328,471 | 74·0 | 26·0 |
| 1874 | 239,558,121 | 167,278,029 | 72,280,092 | 69·8 | 30·2 |
| 1875 | 223,465,963 | 152,373,800 | 71,092,163 | 68·2 | 31·8 |
| 1876 | 200,639,204 | 135,779,980 | 64,859,224 | 67·7 | 32·3 |
| 1877 | 198,893,065 | 128,969,715 | 69,923,350 | 64·8 | 35·2 |
| 1878 | 192,848,914 | 126,611,428 | 66,237,486 | 65·7 | 34·3 |
| 1879 | 191,531,758 | 130,529,647 | 61,002,111 | 68·2 | 31·8 |
| 1880 | 223,060,446 | 147,806,267 | 75,254,179 | 66·3 | 33·7 |

Taking the extreme limits embraced by the table, we find that in 1871, when the total export value was almost identical with that of 1880, the proportion of the goods that found their way to our Colonies was represented in value by £51,250,213, or 23 per cent. of the total sum of £223,066,162, whilst in 1880 the proportion was £75,254,179, out of a total of £223,060,446, or 33·7 per cent."

| Articles. | Value in the Year 1871. | Value in the Year 1880. | Increase in 1880 as compared with 1871. |
|---|-------------------------|-------------------------|---|
| | £ | £ | £ |
| Apparel and slops. | 1,538,370 | 2,675,766 | 1,137,396 |
| Arms, ammunition, and military stores | 356,845 | 565,904 | 209,059 |
| Beer and ale | 1,195,663 | 1,209,733 | 14,070 |
| Coals, cinders, and patent fuel | 881,418 | 1,224,315 | 342,897 |
| Copper, unwrought and wrought | 817,063 | 1,206,888 | 389,825 |
| Cotton yarn | 2,258,368 | 3,789,685 | 1,531,317 |
| Cotton manufactures | 19,166,944 | 27,349,975 | 8,183,031 |
| Iron and steel, unwrought and wrought | 4,591,917 | 8,222,146 | 3,630,229 |
| Leather, unwrought and wrought | 1,133,988 | 1,362,581 | 228,593 |
| Machinery and mill work | 999,401 | 2,065,995 | 1,066,594 |
| Paper of all kinds | 486,084 | 959,378 | 473,294 |
| Silk manufactures | 320,787 | 878,089 | 557,302 |
| Woollen manufactures | 3,172,110 | 4,414,763 | 1,242,653 |
| Other articles | 14,331,255 | 19,328,961 | 4,997,706 |
| Total. | 51,250,213 | 75,254,179 | 24,003,966 |

"Exports to British Colonies."

Customs
Report of
1881.

"We give [above] a list of the principal articles, with their values, that make up the aggregate of our trade with the Colonies, with the view of showing in what respect the increase of twenty-four millions, which has accrued in the same period of ten years, is chiefly exhibited.

"The above-mentioned twenty-four millions represent an increase of nearly 47 per cent. in ten years in regard to our trade with the Colonies, but, on the other hand, the value of our trade with foreign countries has decreased in the same period from £171,815,949 to £147,806,267, or 14 per cent., the total export trade for 1871 and 1880 being, as we have said, almost identical in amount, although showing such wide differences when classified under 'Foreign Countries' and 'British Possessions' respectively."

Customs
Statement
as to Colo-
nial Trade
incomplete
and mis-
used.

Now, this passage is, as I have said, perfectly accurate as regards the facts to which it is confined; the misfortune is that it does not contain all the facts, or give a complete account of the case; that it consequently conveys a wrong impression, and that it is capable of being misused, and has been misused accordingly.

In the first place, ten years is far too short a time by which to measure the progress and value of different branches of trade.

In the second place, this table only professes to give the exports of British produce from the United Kingdom; it does not give the imports, and without this it is useless as an index to the comparative values of the foreign and Colonial trades, except, indeed, in the opinion of those who think that the value of our trade depends solely on what we give, and not also on what we get.

In the third place, by lumping all foreign countries on the one side, and all the different British possessions on the other, an impression is produced that there is some general law governing each class, which produces results differing for the two classes, but identical for all the cases within each class; and this impression is made use of with great effect by those who contend that the whole object of Trade is to export, and that, since the Colonies

take a growing proportion of our exports, it is our business to encourage trade with our Colonies, at the expense of our trade with foreign countries. I have already pointed out how different are the circumstances of the different parts of the British Empire, and how much our relations to our self-governing Colonies differ from our relations to India. Now, it is not a little remarkable that if we analyse the above comparison of 1880 with 1871 we shall find that the greatest increase in exports to the Colonies, on which the Customs report lays stress, is due to India. Our exports of British produce to India were :—

Customs report as to Colonial Trade incomplete and mis-used.

| | |
|---------------|---|
| In 1871 | £18,053,478, or 8·1 per cent. of the total. |
| „ 1880 | 30,451,314, or 13·7 „ „ |
| „ 1890 | 33,641,001, or 12·8 „ „ |
| „ 1900 | 30,115,752, or 10·3 „ „ |

The exports to the Australian Colonies were :—

| | |
|---------------|---|
| In 1871 | £10,051,982, or 4·5 per cent. of the total. |
| „ 1880 | 16,930,935, or 7·6 „ „ |
| „ 1890 | 23,006,004, or 8·7 „ „ |
| „ 1900 | 27,093,153, or 9·3 „ „ |

The exports to British North America were :—

| | |
|---------------|--|
| In 1871 | £8,257,126, or 3·7 per cent. of the total. |
| „ 1880 | 7,708,870, or 3·5 „ „ |
| „ 1890 | 7,225,911, or 3·1 „ „ |
| „ 1900 | 8,126,710, or 2·1 „ „ |

Exports of 1900 include the value of ships and boats (new) with their machinery. The value of these exports is not included in the returns of former years.

Further, in 1880 the exports to British India were £9,000,000 more than in 1879, thus accounting for three-fifths of the increased Colonial export for that year; so that, whilst the exports to India and to Australia very largely increased in the decade, those to British North America diminished.

Similar differences might be pointed out in the exports to foreign countries. When investigated, they are often very instructive, as I hope to show below. I mention this now only to prove, even within the narrow limits of the Customs table, how fallacious it is to draw from figures

of this description any such general results as the Fair Traders have done.

It would be useless to quote or answer all the erroneous statistics, or erroneous conclusions from statistics, which have appeared on this subject; but when so great an authority as Mr. W. E. Forster, in advocating Imperial Federation, is said to have quoted figures concerning the comparative value of our foreign and Colonial trade, some of which are inaccurate and others incomplete, it is worth while to call attention to the fact. I need not say that Mr. Forster never indorsed the views of the Fair Traders, but, on the contrary, if I remember right, he expressly repudiated them.

Mr.
Forster's
speech on
Colonial
Trade.

In a speech at Bradford, as reported in the *Times* of February 26th, 1885, are the following statements:—

“The annual trade of the British dominions beyond the seas with the United Kingdom was—exports and imports, £190,000,000; and with other countries £170,000,000; a total of £360,000,000, or six times what it was at the beginning of this century.”

These figures of the trade are, after deducting bullion, and deducting also Malta trade, in accordance with the official returns of the trade for 1882; but as regards the trade at the beginning of the century, I cannot find that there are any figures which can be quoted with confidence.

Mr. Forster's speech, as reported, goes on to state that “the trade of the United Kingdom with foreign countries in 1872 was more than £248,000,000, and in 1882 was £214,000,000—a decrease in ten years of £34,000,000; and that the trade of the United Kingdom with British possessions, which in 1872 was £66,000,000, had increased in 1882 to £99,000,000.”

The figures, no doubt, relate to the export trade only; and if so, they are not quite correct. The actual figures are:—

| 1872. | | | |
|------------------------|----|----|--------------|
| To Foreign Countries | .. | .. | £249,000,000 |
| To British Possessions | .. | .. | £66,000,000 |
| 1882. | | | |
| To Foreign Countries | .. | .. | £214,000,000 |
| To British Possessions | .. | .. | £92,000,000 |

But to take any single year as the test of the course of trade, without examining the circumstances, is very apt to mislead, and does so in this instance. It so happens that 1872 was a year in which our exports to the Continent were much swollen by the results of the Franco-German war, and the payment of the French indemnity,* and, probably, also swollen by errors in our own export figures.

While our exports to foreign countries have not since quite equalled those of 1872, when they were stimulated by special causes, they have nearly regained that level, and our total trade, import and export, is much greater now than then. In 1872 our trade with the Colonies was in a very depressed state, and has since largely increased with their development and growth of population. Our exports to foreign countries and to British possessions for 1892 and 1902 were as follows:—

| 1892. | | | | |
|------------------------|----|----|-----|--------------|
| To Foreign Countries | .. | .. | ... | £210,000,000 |
| To British Possessions | .. | .. | .. | 81,000,000 |
| 1902. | | | | |
| To Foreign Countries | .. | .. | .. | £232,000,000 |
| To British Possessions | .. | .. | .. | 117,000,000 |

In 1872 our export trade had received an abnormal stimulus from the effects of the Franco-German war, causing a great demand for our goods and from loans made to America and other foreign countries, which were received in the form of merchandise. Even so, it was only owing to the extraordinarily high prices ruling at that time that the money value of our exports has not since been so large, for the quantity of goods exported is now very much larger. While the war of 1870 was a factor in stimulating foreign trade, the late war with the Boer Republics had a similar effect on trade with the Colonies, the exports from the United Kingdom to the Cape and Natal rising from £17,154,000 in 1898 to £24,437,000 in 1902—a rise which well exemplifies the necessity of considering special conditions, and of drawing conclusions as to the course of trade, only after following its ups and downs over a long series of years.

It is also, for reasons given at length elsewhere,† misleading to take our exports alone, or our exports to

* See below, pp. 49 and 50.

† See below, pp. 49 to 70.

particular countries, as tests of the value of trade. Imports are as valuable as exports, and exports to a Colony may be, and probably are, only one link in a chain in a circuitous trade which binds England, the Colonies, and foreign countries together. The figures which I have given below and in the Appendix embrace the whole of our trade for many years; and it is to these taken as a whole, and not to the reports for a particular year, that we must look if we mean to draw accurate conclusions.

Mr. Forster is further reported to have said that the "total trade of imports and exports of the United Kingdom with the world outside British possessions had increased from 1854 to 1882 more than 77 per cent., but that the total trade, import and export, of the United Kingdom with British possessions had increased more than 170 per cent." If Mr. Forster said this, he must have been grossly misled. The official figures are as follows:—

| | | | Foreign Countries. | British Possessions. | Total. |
|----------------------|----|----|--------------------|----------------------|--------------|
| 1854 | .. | .. | £197,000,000 | £71,000,000 | £268,000,000 |
| 1882 | .. | .. | £528,000,000 | £192,000,000 | £720,000,000 |
| Increase | .. | .. | £331,000,000 | £121,000,000 | £452,000,000 |
| Increase per cent... | | | 168 | 170 | 169 |

So that our trade with the Colonies, instead of increasing more than twice as fast as our trade with foreign countries, did in fact just keep pace with it. More complete figures on this point will be found below.

It is no doubt difficult to give—except in figures so long and minute as to be unreadable—any general view of the comparative results of our trade with the different countries of the world, but I will try to do so as briefly as I can, relegating the more cumbrous tables to an Appendix.

First, assuming the position held by the Fair Traders, that what we give, and not what we get, is the standard by which to judge of the profits of trade, let us see what our exports of British produce have been since 1840.

Statement showing the Total Exports of British and Irish Produce from the United Kingdom to the undermentioned Countries in each of the Years 1840, 1860, 1872, 1880, 1884, 1890, 1900 and 1902, the amounts being stated in thousands of pounds; i.e. 100 = 100,000.

| | 1840 | 1860 | 1872 | 1880 | 1884 | 1890 | 1900 | 1902 |
|----------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| To Colonies..... | £ 11,886 | £ 26,700 | £ 42,085 | £ 44,803 | £ 50,292 | £ 53,729 | £ 64,264 | £ 76,347 |
| „ British India | 5,213 | 16,965 | 18,471 | 40,451 | 30,584 | 33,641 | 30,116 | 32,682 |
| To Europe | | | | | | | | |
| Russia | 1,603 | 3,269 | 6,609 | 7,952 | 4,994 | 5,751 | 11,720 | 8,635 |
| Germany..... | 5,580 | 13,492 | 31,619 | 16,944 | 18,729 | 19,294 | 26,407 | 22,850 |
| Holland | 3,416 | 6,115 | 16,212 | 9,247 | 10,238 | 10,121 | 10,497 | 8,446 |
| Belgium | 880 | 1,610 | 6,499 | 5,796 | 8,501 | 7,639 | 10,776 | 8,410 |
| France..... | 2,378 | 5,250 | 17,269 | 15,594 | 16,746 | 16,565 | 19,711 | 15,587 |
| Spain | 404 | 2,471 | 3,614 | 3,222 | 3,869 | 5,000 | 5,626 | 4,785 |
| Italy..... | 2,163 | 4,514 | 6,558 | 5,433 | 6,994 | 7,758 | 8,772 | 7,410 |
| Turkey | 1,387* | 5,064 | 7,639 | 6,766 | 6,394 | 6,772 | 5,094 | 6,034 |
| Other Countries in Europe | 2,007 | 4,985 | 10,987 | 9,728 | 11,104 | 13,473 | 19,330 | 17,917 |
| „ United States of America | 5,283 | 21,667 | 40,736 | 30,856 | 24,427 | 32,068 | 19,781 | 23,760 |
| Total | 25,101 | 68,437 | 147,742 | 111,538 | 111,995 | 211,814 | 232,094 | 232,863 |
| „ Other Countries..... | 9,108 | 23,789 | 47,959 | 36,268 | 40,154 | 51,716 | 59,098 | 50,561 |
| Total Foreign | 34,209 | 92,226 | 195,701 | 147,806 | 152,149 | 17,160 | 196,812 | 174,395 |
| Total | 51,308 | 135,891 | 256,257 | 223,060 | 233,025 | 263,530 | 291,192 | 283,424 |

* Including Greece, Wallachia, and Moldavia in 1840.

Exports to Colonies and Foreign Countries since 1840.

Putting these figures in the form of percentages, they are as follows:—

| | To Colonies. | | To India. | | To Foreign Countries. | | |
|------|--------------|------|-----------|------|-----------------------|------|-----|
| 1840 | .. | 23'0 | .. | 10'0 | .. | 67'0 | 100 |
| 1860 | .. | 19'5 | .. | 12'5 | .. | 68'0 | 100 |
| 1872 | .. | 16'5 | .. | 7'0 | .. | 76'5 | 100 |
| 1880 | .. | 20'0 | .. | 13'5 | .. | 66'5 | 100 |
| 1884 | .. | 21'5 | .. | 13'0 | .. | 65'5 | 100 |
| 1890 | .. | 20'4 | .. | 12'8 | .. | 66'8 | 100 |
| 1900 | .. | 22'1 | .. | 10'3 | .. | 67'6 | 100 |
| 1902 | .. | 27'0 | .. | 11'5 | .. | 61'5 | 100 |

There is here no symptom of any permanent increase in the percentage of the Colonial exports, but rather the reverse. The percentage of the foreign exports, which rose rapidly with the loans and inflation of 1872, has otherwise remained steady, and there have been great fluctuations in the percentage of the Indian trade. There is certainly nothing in these figures to lead one to suppose that we should sacrifice the trade with foreign countries in order to nurse the Colonial trade.

The later figures added to Lord Farrer's tables bear out his contention that there is no symptom of permanent increase in the percentage of exports to the Colonies and possessions. Not until 1902 did the percentage to the former reach the level of 1840, though Canada and Australia have greatly increased their population in the meantime, and have their people distributed over such a vast amount of territory that they are naturally better customers for manufactured goods than the more densely populated countries of Europe and America, which are in a better position to manufacture for themselves. As to the increase in 1902 to a percentage of 27 against 22'1 in 1900, the great proportion of it is accounted for by the war in South Africa, which necessitated the sending of vast quantities of provisions and military stores to Natal and the Cape. The total exports of British produce to the Colonial possessions, exclusive of India, were in 1900 £64,263,000 and in 1902 £76,346,000, while the corresponding figures for Natal and the Cape were £12,757,000 and £24,436,000. If British trade with the Colonies had not therefore been stimulated by the destruction of a vast amount of British goods in South Africa, there would have been but a very small increase in its percentage to the whole export trade since 1900; 96'6 per cent. of the increase was, in fact, directly due to the war.

Another lesson to be learnt from the tables above is that any

attempt to increase our trade with the British possessions by means of tariffs is either futile or unnecessary. Over India the United Kingdom has absolute tariff control, Canada gives a slight preference to British goods, while Australia has protective duties equal in their severity to those of many foreign countries, and levied upon British as well as foreign goods without preference. And yet in 1902 India took £32,682,000 worth of British goods, Canada £10,720,000 worth, while Australia and New Zealand took £25,207,000 worth.

But no view of trade is complete which deals with exports alone, nor is a comparison of one single year at one period with another single year at another sufficient to show the general course of trade. I have therefore annexed* four tables, showing for each of the last twenty-nine years the amount and proportions of our trade with foreign countries and with our own Colonies and possessions respectively. The first of these tables gives the exports of produce of the United Kingdom; the second gives the total exports, including re-exports of foreign and Colonial produce; the third gives the total imports; and the fourth gives the total of the imports and exports. For each year is given the percentage of the foreign and Colonial trades respectively. From these tables it is clear that whether we take, as the Fair Traders do, the exports of British produce only, or the total exports, or the total imports, or—which is the fairest test—the whole of the trade exports and imports together, there is not the least ground for the assertion that the whole of our trade with our own possessions has grown faster than our trade with foreign nations, or that it is subject to fewer fluctuations. Taking the exports of the produce of the United Kingdom, the exports to the Colonies were 33 millions in 1856, rose to nearly 54 millions in 1866, sank to 48 millions in 1869, rose to 72 millions in 1874, fell to 61 millions in 1879, rose to nearly 85 millions in 1882, and fell to 81 millions in 1884, whilst the provisional figures for 1885 are 78 millions only. Of the imports, the Colonial share is smaller, but equally fluctuating. It was 43 millions in 1856, 38 millions in 1858, 93 millions in 1864, since which time it declined, being as low as 73 millions in 1871, and

Trade with Colonies and Foreign Countries in each of the last 30 years, as a whole.

* See Tables I., II., III., and IV., in Appendix.

Trade with
each
Foreign
Country
and each
Colony for
each of last
37 years.

78 millions in 1878, rising again to 92 millions in 1880, and to 99 millions in 1882, but falling again to 96 millions in 1884, whilst according to the provisional figures for 1885 there was a further decrease in that year to 88 millions.

The imports from British Colonies and possessions were in 1890 96 millions, in 1900 110 millions, and 107 millions in 1902.

Taking the whole of the trade of the United Kingdom—imports and exports together—which is by far the fairest test, the Colonial share of the trade was 80 millions in 1856, 149 millions in 1864, 114 millions in 1867, 165 millions in 1877, 145 millions in 1879, 174 millions in 1880, 191 millions in 1882, and 184 millions in 1884. If we turn to the tables, we shall see that these fluctuations are as great as those which have taken place in the trade with foreign countries. The proportion which our Colonial trade bears to our whole trade has varied between 31·3 per cent., at which it stood in 1863, to 20·9 per cent., at which it stood in 1871; it stood at 25·6 per cent. in 1856, at 24·9 per cent. in 1880, at 26·7 per cent. in 1882, and at 25·8 per cent. in 1883. It has kept pace with our whole foreign trade, and is in amount about a quarter of it. But it fluctuates as much as our foreign trade, and forms a smaller proportion of our whole trade now than it did twenty years ago.

The later percentages are as follow : 1890, 25·5 per cent. ; 1900, 24·1 per cent. ; 1902, 25·6 per cent. It still forms a smaller percentage of our total trade than it did twenty years ago, *i.e.* in 1882.

But even these figures, whilst amply sufficient to show that there is no ground whatever for supposing that our foreign trade, as a whole, is either more precarious or less profitable than our Colonial trade, lump all foreign countries and all Colonies together, and fail to show how different has been the course of trade with different Colonies and different countries, and how fallacious it is to include in one and the same class either the one or the other. I have therefore added to the Appendix some tables,* showing what has been the course of trade with each foreign country, and with each Colony or group of Colonies, for the last

* See Tables V. and VI. in Appendix.

FOREIGN COUNTRIES.
Statement of the proportion Per Cent. of our whole Foreign Trade carried on with each Foreign Country.

| | Russia | Germany. | Holland | Belgium | France | Italy | Turkey | Egypt | United States | Brazil | Chili | Peru | China | Japan | Other Countries | Total Foreign Countries |
|--------------------------|---------|----------|---------|---------|---------|---------|---------|---------|---------------|---------|---------|---------|---------|---------|-----------------|-------------------------|
| | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. |
| 5 Years ending 1870. | 5'3 | 9'0 | 5'4 | 3'2 | 11'2 | 1'9 | 2'6 | 4'5 | 13'7 | 2'5 | 1'2 | 1'0 | 3'0 | 0'3 | 12'2 | 77'0 |
| 5 Years ending 1875. | 5'0 | 8'8 | 5'5 | 4'1 | 10'8 | 1'8 | 2'1 | 2'9 | 15'5 | 2'3 | 1'1 | 1'1 | 2'8 | 0'4 | 13'1 | 77'3 |
| 5 Years ending 1880. | 4'2 | 8'2 | 5'8 | 3'8 | 10'9 | 1'6 | 1'9 | 1'9 | 17'6 | 1'8 | 0'8 | 0'8 | 2'8 | 0'5 | 12'8 | 75'4 |
| 5 Years ending 1885. | 3'7 | 7'9 | 5'9 | 4'2 | 9'5 | 1'6 | 1'7 | 1'8 | 18'5 | 1'7 | 0'8 | 0'5 | 2'1 | 0'5 | 13'4 | 73'7 |
| 5 Years ending 1890. | 4'2 | 7'9 | 6'0 | 4'2 | 9'2 | 1'6 | 1'6 | 1'6 | 18'8 | 1'7 | 0'8 | 0'4 | 1'8 | 0'6 | 13'8 | 74'2 |
| 5 Years ending 1895. | 4'4 | 8'0 | 6'0 | 4'2 | 9'0 | 1'4 | 1'6 | 1'9 | 19'1 | 1'3 | 0'9 | 0'3 | 1'3 | 0'7 | 14'4 | 74'9 |
| 5 Years ending 1900. | 4'5 | 8'2 | 5'5 | 4'5 | 9'5 | 1'3 | 1'5 | 2'0 | 19'8 | 1'1 | 0'8 | 0'3 | 1'1 | 1'1 | 14'0 | 75'4 |
| 1901 | 4'2 | 7'7 | 5'4 | 4'3 | 8'6 | 1'3 | 1'5 | 2'1 | 20'5 | 1'8 | 0'9 | 0'3 | 1'0 | 1'1 | 14'8 | 74'8 |
| 1902 | 4'5 | 7'5 | 5'5 | 4'5 | 8'4 | 1'3 | 1'5 | 2'3 | 19'4 | 1'4 | 0'9 | 0'3 | 1'1 | 0'8 | 15'0 | 74'3 |
| Average for Whole Period | 4'5 | 8'2 | 5'7 | 4'3 | 9'9 | 1'7 | 1'8 | 2'4 | 17'4 | 1'8 | 0'9 | 0'6 | 2'1 | 0'6 | 13'5 | 75'4 |

nineteen years, giving for each country and for each year the exports and imports separately, and the percentage which they constitute of the aggregate imports and exports. I have also added a table* giving a summary of the whole, showing, in the form of percentages, what has been the proportion which our trade with each country and each Colony in each year, and in each completed period of five years, has borne to our whole trade.

The following summary shows at a glance what proportion of our whole trade has been carried on with each foreign country and each Colony for each of the three periods of five years, ending with 1880, and for the subsequent four years.

COLONIES AND BRITISH POSSESSIONS.

Statement of the proportion Per Cent. of our whole Foreign Trade carried on with each Colony.

| | British North America | British West Indies | Australian Colonies | India | South Africa | Other British Possessions | Total |
|-------------------------------|-----------------------------|---------------------------|------------------------|---------|-----------------|---------------------------------|-----------|
| | Pr. Ct. | Pr. Ct. | Per Cent. | Pr. Ct. | Pr. Ct. | Per Cent. | Per Cent. |
| 5 Years end- ing 1870. } | 2·7 | 1·7 | 4·8 | 9·7 | 0·9 | 3·2 | 23·0 |
| 5 Years end- ing 1875. } | 3·1 | 1·5 | 5·3 | 8·1 | 1·2 | 3·5 | 22·7 |
| 5 Years end- ing 1880. } | 2·9 | 1·5 | 6·6 | 8·5 | 1·6 | 3·5 | 24·6 |
| 5 Years end- ing 1885. } | 3·0 | 1·2 | 7·6 | 9·7 | 1·6 | 3·2 | 26·3 |
| 5 Years end- ing 1890. } | 2·9 | 0·9 | 7·5 | 9·5 | 1·8 | 3·2 | 25·8 |
| 5 Years end- ing 1895. } | 3·0 | 0·8 | 7·4 | 8·3 | 2·1 | 3·5 | 25·1 |
| 5 Years end- ing 1900. } | 3·6 | 0·6 | 7·2 | 7·2 | 2·4 | 3·6 | 24·6 |
| 1901 | 3·5 | 0·6 | 7·4 | 7·2 | 2·8 | 3·7 | 25·2 |
| 1902 | 4·1 | 0·6 | 6·7 | 7·1 | 3·7 | 3·4 | 25·6 |
| Average for Whole Period } | 3·1 | 1·1 | 6·7 | 8·6 | 1·7 | 3·4 | 24·6 |

* See Table VII. in Appendix.

In order that I may not appear to overlook the facts relied on by the Fair Traders, I give the following summary, in a similar form, of the course of our export trade to each country. The following percentages are the percentages of the total exports, including re-exports of foreign and Colonial produce. But the percentages are much the same as they would be if the exports of the produce of the United Kingdom alone were included, and in the tables appended the figures for both kinds of export are given fully. But, whilst I give these figures in deference to the weaknesses of the Fair Traders, I protest against the notion that exports are more important than imports, and also against the notion that the direct trade to or from each country and Colony shows the whole character of the transaction. Trade is circuitous, and the debt which accrues to us in consequence of an export to a Colony is often repaid to us by our imports from some foreign country. Moreover, as we shall see below, temporary causes have an immense effect both on our exports and imports; and although in the long run trade balances itself, the exports to any one country for any given year, or short term of years, or even the exports and imports together, are often a most imperfect index of the nature of our whole trade with that country.

It would take more time and more knowledge than I possess to explain in detail the figures contained in the appended tables. Each foreign country and each Colony shows its own fluctuations, both of imports and exports, and these fluctuations have been as great in the Colonial as in the foreign trade. It would be most instructive to trace these fluctuations to their real causes. Protectionist tariffs have, no doubt, in some cases, and to some extent, been causes of these fluctuations; but other causes—such as the cotton famine, the Franco-German war, the French indemnity, English investments abroad, bad harvests in Europe and good ones in America, the wars in South Africa and in Egypt—have probably been still more potent factors. To trace the effect of these causes would throw light on many a delusion, and it is to be wished that some competent person would undertake to do this completely.

Observations on our Trade with each Foreign Country and Colony.

EXPORTS TO FOREIGN COUNTRIES.

Statement of the proportion Per Cent. of Exports from United Kingdom, including Re-exports, to each of the undermentioned Foreign Countries.

| | Russia | Ger- many | Holland | Belgium | France | Italy | Turkey | Egypt | United States | Brazil | Chili | Peru | China | Japan | Other Foreign Countries | Total |
|------------------------------|---------|--------------|---------|---------|---------|---------|---------|---------|------------------|---------|---------|---------|---------|---------|-------------------------------|---------|
| | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Pr. Ct. |
| 5 Years end- ing 1870. | 3·5 | 12·6 | 6·9 | 3·4 | 10·1 | 2·8 | 3·2 | 3·3 | 11·7 | 2·7 | 1·0 | 0·6 | 2·6 | 0·7 | 11·8 | 76·9 |
| 5 Years end- ing 1875. | 3·6 | 12·6 | 7·6 | 4·5 | 10·0 | 2·7 | 2·5 | 1·8 | 12·0 | 2·5 | 0·9 | 0·8 | 1·9 | 0·7 | 12·6 | 76·7 |
| 5 Years end- ing 1880. | 3·6 | 11·4 | 6·2 | 4·7 | 10·5 | 2·7 | 2·8 | 1·0 | 9·4 | 2·5 | 0·6 | 0·4 | 1·9 | 1·1 | 12·8 | 71·6 |
| 5 Years end- ing 1885. | 2·7 | 10·2 | 5·8 | 4·2 | 9·7 | 2·6 | 2·4 | 1·1 | 12·0 | 2·3 | 0·8 | 0·3 | 1·7 | 0·8 | 13·4 | 70·0 |
| 5 Years end- ing 1890. | 2·6 | 9·7 | 5·2 | 4·4 | 7·5 | 2·6 | 2·2 | 1·0 | 14·0 | 2·3 | 0·9 | 0·4 | 2·1 | 1·2 | 14·3 | 70·4 |
| 5 Years end- ing 1895. | 3·4 | 10·4 | 5·0 | 4·5 | 7·3 | 2·2 | 2·2 | 1·3 | 13·3 | 2·8 | 1·0 | 0·3 | 1·9 | 1·3 | 15·8 | 71·7 |
| 5 Years end- ing 1900. | 4·5 | 11·4 | 4·3 | 4·4 | 6·9 | 2·3 | 1·9 | 1·5 | 10·9 | 1·9 | 0·8 | 0·3 | 1·9 | 2·3 | 12·9 | 70·4 |
| 1901. | 4·0 | 10·0 | 4·0 | 3·6 | 6·8 | 2·4 | 2·1 | 1·8 | 10·8 | 1·3 | 1·0 | 0·3 | 2·0 | 2·4 | 15·0 | 67·5 |
| 1902. | 4·0 | 9·5 | 3·7 | 3·6 | 6·4 | 2·3 | 1·9 | 1·8 | 12·3 | 1·6 | 0·9 | 0·3 | 2·1 | 1·5 | 14·5 | 66·4 |
| Average for Whole Period. | 3·5 | 11·1 | 5·8 | 4·3 | 8·8 | 2·6 | 2·5 | 1·6 | 11·9 | 2·4 | 0·8 | 0·4 | 2·0 | 1·2 | 13·5 | 72·2 |

COLONIES AND BRITISH POSSESSIONS.

Statement of the proportion Per Cent. of Exports from United Kingdom, including Re-exports, to each of the undermentioned Colonies.

Exports to each Foreign Country and each Colony for 19 years.

| | British North America | West Indies | Australia | India | South Africa | Others | Total |
|----------------------------|-----------------------|-------------|-----------|---------|--------------|---------|-----------|
| | Pr. Ct. | Pr. Ct. | Per Cent. | Pr. Ct. | Pr. Ct. | Pr. Ct. | Per Cent. |
| 5 Years ending 1870. } | 2·9 | 1·2 | 5·4 | 8·9 | 0·7 | 4·0 | 23·1 |
| 5 Years ending 1875. } | 3·3 | 1·2 | 5·9 | 7·5 | 1·4 | 4·0 | 23·3 |
| 5 Years ending 1880. } | 2·9 | 1·2 | 7·7 | 10·1 | 2·2 | 4·3 | 28·4 |
| 5 Years ending 1885. } | 3·2 | 1·1 | 9·1 | 10·7 | 2·0 | 3·9 | 30·0 |
| 5 Years ending 1890. } | 2·9 | 1·1 | 8·5 | 11·1 | 2·4 | 3·6 | 29·6 |
| 5 Years ending 1895. } | 2·7 | 1·1 | 7·2 | 10·4 | 3·2 | 3·7 | 28·3 |
| 5 Years ending 1900. } | 2·5 | 0·9 | 8·0 | 9·7 | 4·4 | 4·1 | 29·6 |
| 1901 | 2·8 | 0·8 | 8·5 | 10·3 | 5·4 | 4·7 | 32·5 |
| 1902 | 3·6 | 0·8 | 7·6 | 9·9 | 7·5 | 4·2 | 33·6 |
| Average for Whole Period } | 2·9 | 1·1 | 7·4 | 9·9 | 2·5 | 4·0 | 27·8 |

At present I can only call attention to one or two facts connected with the different trades.

Our Trade with Germany and Holland.

These two countries may be taken together, since much German trade goes through Holland. Their proportion of our whole trade, including imports and exports, has remained steady during the last eighteen years. The exports increased in the five years ending 1875, especially in the years 1871 and 1872, and decreased in the five years ending with 1880, and have since slightly increased. The exports of British produce to Germany were in 1870

Germany and Holland.

20 millions; in 1872, 31½ millions, of which considerably more than one-half consisted of cotton and woollen manufactures; in 1880, 17 millions, and in 1884, nearly 19 millions. The German tariff may have been one cause of the diminution in 1880, and a real decline in the demand for English woollen manufactures may have been another. But in comparing the figures of cotton and woollen manufactures of different periods, there are several circumstances to be taken into consideration. There were probably considerable errors in our Trade statistics up to 1872-73, making the value of woollen exports appear larger than it really was. Further, the price of the raw material constitutes a large part of the price of the manufactured article; the whole of the raw cotton and much of the raw wool come to us from abroad, and have to be paid for; and the prices of both have fallen since 1872, that of raw cotton more than 30 per cent. The apparent loss on exports has, therefore, to be diminished by the difference. But there was another temporary cause, independent of tariffs and of prices, which, no doubt, increased our exports to Germany in 1871 and 1872. The French indemnity of 200 millions was paid to Germany partly in French cash, partly in French exports, but partly also through England, so that a part—and probably no inconsiderable part—of the large English exports of merchandise to Germany in the period from 1871 to 1875 consisted, in fact, of advances to Germany on French account, to be repaid to England by France. This is confirmed by finding that the imports into Germany from the principal European countries—viz. France, Belgium, United Kingdom and India, Italy, and also from the United States—during the last five years 1871 to 1875, exceeded her exports to those countries by 23 millions a year, an excess which was reduced to eight millions in 1877.* It is also confirmed by the French statistics,† which, after showing a large excess of imports in 1871, probably to make up losses caused by the war

Effects of
French
Indemnity.

* See Table VIII., giving the Exports and Imports of Germany from 1868 to 1877. These figures are taken from the statistics of the several countries. If taken from German statistics, the figures for the imports into Germany would, no doubt, be increased, and those of exports from Germany diminished.

† See Tables IX. and X., French Imports and Exports, 1868 to 1877.

and the defective imports of 1870, show a large excess of exports, especially to Germany, Belgium, England, and Switzerland, amounting to not less than 24 millions a year during the years 1872 to 1875. In short, France borrowed to pay the indemnity; England and other countries made advances in the shape of goods, and France has since been repaying these advances, or the interest upon them.

Since the year 1880 imports into the United Kingdom from Germany have increased from 24·4 millions to 26·1 millions in 1890, 31·2 millions in 1900, and 33·6 millions in 1902. The corresponding figures for exports of British and Irish produce are: 1880, 16·9 millions; 1890, 19·3 millions; 1900, 26·4 millions; and 1902, 22·9 millions, the exports being exclusive of the value of new ships except for the year 1902. The average imports for the series of years 1896–1900 was 28·7 millions, against an average of 25 millions for the years 1880–84, showing an increase of 3·7 millions. For the same years the average exports of British and Irish produce increased by 5½ millions, being 18·1 millions for the first series of years and 23·6 for the second. A return from the Board of Trade submitted to Parliament in 1902 states that among imports from Germany since 1880–84 there has been some decrease in agricultural produce, balanced by an increase in sugar and some slight increases in cotton, woollen, iron, and glass manufactures, all of which, however, are but little imported, while the increase in exports was largely due to coal, but helped by greater exports of woollen yarns, cotton manufactures, iron and steel manufactures, and machinery. The conclusion is that “whatever these figures show, it is clear that they do not show that there has been any material displacement of home manufactures in our home markets.”

These figures relate to the direct trade only; those relating to Belgium are given below. Imports from Holland rose to 25·9 millions in 1890 to 31·4 millions in 1900 and 34·8 millions in 1902, while for the corresponding years exports of British produce and manufactures were 10·1, 10·9, and 8·4 millions.

The trade with Belgium is also increasing, as mentioned below. Taking Germany, Holland, and Belgium together, there is a point in our recent trade with them which deserves special notice.

The increase in the exports of British produce in Germany, Holland, and Belgium has been four millions and a

Sugar, and
how it is
paid for.

half between 1880 and 1883. The increase in the value of the imports of sugar from these countries in the same years was about three millions. As these are the countries which are accused of injuring our workmen by giving a bounty on sugar, it may be some consolation to learn that they are not only providing us with cheap sugar at their own expense, but are also taking our goods in return, and employing our other industries to a larger extent than they ever did before.*

Our Trade with Belgium.

Belgium.

Our whole trade with Belgium is steady. Our export trade to Belgium is, on the whole, increasing; but the export of British produce was rather more in the years 1871-75 than in the years 1876 to 1880, probably for the same reasons as have been shown to apply in the case of Germany. The total export trade to Belgium is now again increasing, and amounts to 15 millions.

Since 1880, the imports from Belgium have steadily increased, and in 1902 reached $26\frac{1}{2}$ millions. The exports, on the other hand, after rising to nearly 15 millions in 1900 have fallen to $12\frac{1}{2}$ millions in 1902, but at the same time the exports of British produce have considerably increased, the figures being 6 millions for 1880, 8 millions for 1882, $10\frac{1}{2}$ millions for 1900, and $8\frac{1}{2}$ millions for 1902. The falling off in the export trade with Belgium has therefore been wholly in goods imported into this country and re-exported.

Our Trade with France.

France.

The proportion which our trade with France bears to our whole trade has varied very little. It was rather less in nominal value in the five years ending 1880 than in the previous five years, but has been increasing since 1879. Our exports to her increased very largely in 1871, and have maintained a high average since. They were 33 millions in 1871, $25\frac{1}{2}$ millions in 1877, and $29\frac{1}{2}$ millions in 1883, but fell off in 1884 to less than $26\frac{1}{2}$ millions. But in 1871, out of the 33 millions, 15 were re-exports; in 1877, out of the $25\frac{1}{2}$, 11 were re-exports; whilst in 1883 less than 12, and in 1884 only $9\frac{1}{2}$ were re-exports. This is

* See Chapter on Sugar below, p. 315.

probably due to the effect of the Suez Canal in bringing Oriental goods direct to French ports. On the other hand, the exports of British and Irish produce to France were 18 millions in 1871, 14 millions in 1877, and nearly 17½ millions in 1882 and 1883; so that, although there was a slight decrease in 1884 to about 16½ millions, France is now taking more of our own produce than she did a few years ago. Her exports to England, in common with her exports to other European countries, increased still more largely, giving, as above stated, a surplus of exports over imports to these countries for the five years ending 1875 of 18 millions a year, a surplus probably due to the payment of the German indemnity. Since then French imports into the United Kingdom have diminished from 46 millions in 1875 to 37½ millions in 1884.

Since the last edition of this book there have been considerable variations in British trade with France, but, on the average, both exports and imports have increased. In 1890 the total exports were 24·7 millions; from 1893 to 1899 they fell away considerably, ranging from 20 to 23 millions; they rose to nearly 26 millions in 1900, and were 22·3 millions in 1902. The exports of British produce, which were 16·6 millions in 1890, fell to 13·7 millions in 1898, attained high-water mark with 20 millions in 1900, and fell to 15·6 millions again in 1902. The large export of British produce in 1900 was chiefly due to purchases by France of specially large quantities of coal at very high prices.

In 1890 British imports from France were 44·8 millions, between 1893 and 1899 they rose from 43 to 53 millions, in 1900 they were 53·6 millions, and in 1902 had fallen to 50·6 millions. The large increase in imports is chiefly accounted for by a very considerable addition to the amount of silk manufactures purchased from France, and smaller increases in our imports of sugar, wine, and woollen manufactures.

From this increase in imports and the decline in exports of British origin (up to the year 1900, beyond which it gives no figures) a Board of Trade memorandum, 1902, on the commerce, etc., of the United Kingdom and foreign countries, draws the somewhat pessimistic conclusion that "there is no question of the displacement of home manufactures in the United Kingdom through increased exports from France," while "our exports to France show a sensible decline." To this it may be answered, first, that the years 1900, 1901, and 1902 show a greater export of articles of British origin to France than any other three

consecutive years of our history, and, second, that an increase in our imports from France, in so far as it does not consist of goods sent in payment of interest on money borrowed, must be paid for by exports from the United Kingdom. Therefore, though French silks and woollens may to some extent have displaced British silks and woollens in the home market, there is no proof whatever that their importation has reduced the total volume of British manufactures exported or locally consumed. Silks and woollens are the raw material of the clothing and other trades; sugar the raw material of jams, biscuits, and confectionery. In considering British trade with France it must further be remembered that Switzerland, having no ports, trades with the United Kingdom through Italy or France, and that in all probability much Swiss merchandise, such as watches and jewellery, reaches this country through French ports and is credited to France. The heavier and more bulky British produce sent in return to Switzerland would most naturally be taken in British ships to Genoa, and conveyed *via* Italy to Switzerland, and this may to some extent account for the fact that British exports to Italy always exceed imports thence.

Our Trade with Italy.

Italy.

There has not been much change in the amount or proportion of our trade with Italy. But one thing is remarkable. Italy is one of the few countries where our exports exceed our imports. This they have done for the last nineteen years, at the rate of two millions a year and upwards. During the last fourteen years the excess has been four to five millions. Now, it is impossible to believe that we are doing trade with Italy at a loss. Is it not more than probable that Italy pays her balance to us in a circuitous way? Looking to the French statistics (see Table X.) we find that the imports from Italy into France exceed the exports from France to Italy by an amount averaging in the ten years ending with 1877 five millions sterling a year; and we hear, *usque ad nauseam*, that France sends us many millions more than she takes from us. It is, therefore, most likely the case that Italy sends us goods through France, and thus pays her balance to us, and increases the apparent French exports to England at the same time.

Our trade with Italy has shown remarkably little variation in the course of the last twenty years. Imports thence were 3·5 millions in

1882, 3·3 millions in 1892, and 3·6 millions in 1902. For the corresponding years exports from the United Kingdom to Italy were 7·5, 6·3, and 8·1 millions. The exports showed more tendency than the imports towards increase, and the disproportion between them is even more striking than it was. Portions of our excess imports are probably occasioned by Italy and Switzerland sending us goods through France, the goods which we send in return being forwarded from Italian ports. Another item in our excessive exports bill is the expenditure in Italy of British tourists and visitors, who pay for Italian goods consumed and services rendered on the spot by drafts and circular notes, which are transformed into British goods exported to Italy. That the value of the exports thus occasioned may amount to a very large sum is shown by the fact that in 1880 it was estimated that £20,000,000 worth of American exports were required annually to meet the expenditure of American citizens abroad.

Our Trade with Turkey.

Our imports from Turkey decreased largely between 1877 and 1879, for reasons too obvious to dwell upon. They have since increased by two millions. Turkey.

Imports from Turkey, which were 6·9 millions in 1877 and fell to 3·5 millions in 1879, had risen again to 7·2 millions in 1901, with a fall to 6·1 millions in 1902. Exports to Turkey have varied little, being 6 millions in 1877 and 6·3 millions in 1902. In 1877 Bulgaria, which in 1901 did a trade of half a million with the United Kingdom, was included in the Turkish dominions.

Our Trade with Egypt.

There has been a large diminution in our trade with Egypt, but some of it is nominal, because since the opening of the Suez Canal many cargoes to and from the East, formerly entered as to and from Egypt, have been entered as to and from the countries of destination and of shipment in the East. They may thus possibly swell the apparent increase of our Indian and Colonial trade. In the comparative cessation of the import of raw cotton from the East since the American market has been reopened, and in the cessation of loans to Egypt after 1873, are to be found other reasons for the diminution of our trade with Egypt. Egypt.

Imports from Egypt, which reached the maximum of 16·5 millions in 1872, fell to a minimum of 6·1 in 1878, and rose to 13·8 millions

in 1902. Exports to Egypt, which were 7·3 millions in 1872, and were down to 2·6 millions in 1882, showed a steady rise after the British reorganisation of the country, and in 1902 were valued at 6·2 millions.

Our Trade with the United States.

United
States.

It is our trade with the United States which is the *pons asinorum* of our Fair Traders, and I shall have occasion to refer to it again.* Our whole trade with them has increased very largely, both absolutely and proportionately. It constituted 13·7 per cent. of our whole trade in the five years ending 1870, and 17·6 per cent. of our whole trade in the five years ending 1880. For the last four years it has ranged from 17·4 to 20·2 per cent., the lower figure being the proportion for 1884. Our exports to the United States were 11·7 per cent. of our whole exports in the period 1866 to 1870, and only 9·4 per cent. in the period 1876 to 1880. Between 1880 and 1883 they ranged from 12 to 12·6 per cent., but in 1884 they were only 11·1 per cent. This diminution, together with a considerable addition to the aggregate trade, is made up by an increase of imports. The exports to the United States, which had risen very largely in 1880, maintained themselves at about 37 millions up to 1883, and are still over 32 millions, being by far the largest amount exported to any one country, whether foreign or British. The imports from the United States, which were 107 millions in 1880, were 99 millions in 1883, and 86 millions in 1884. It would be idle to repeat what has been said so often already of our loans to the United States made in the earlier period, and of the payment of interest upon these loans which now appear in our imports. Nor is this the place in which to attempt to disprove the assumption made without the shadow of an argument, and, as I believe, without the shadow of foundation, by some of the Fair Traders, that we are now calling back capital from the United States. This point is referred to below in the chapter on exports and imports (Chapter XXIII.); here I will only notice that, in speaking of the reasons for the excess of imports, I have given some figures

* See Chapters XXXVI. and XLII.

which, if they approach the truth, show that we are increasing and not diminishing our foreign investments; that we are still lending rather than recalling capital; and, if this is so, the United States is certainly one of the countries to which we are lending most. One or two important facts I may point out which are shown by these tables—viz. first, that our exports to the United States increased from 17½ millions, at which they stood in 1878, to 33 millions in 1884, having been as high as 39 millions in 1882; and, secondly, that there are circumstances mentioned below, under the head of Indian trade, which make it in the highest degree probable that we pay for imports of corn from America by exporting manufactures to our own possessions in the East. As an illustration of the way in which this may take place, I may quote a passage from the *Economist* in the second week of October, 1881:—“Last week the steamer *Australia*, from Sydney, landed over a million dollars in gold at San Francisco. *Australia*, of course, pays this gold on English account.”

United
States.

Taking ten year periods from 1882, when imports from America were 88·4 millions and exports to America 39 millions, we find a progressive increase in both, but much greater in the former than the latter. Imports for 1892 were 108·2 millions; for 1902 they were 127 millions; while exports for 1892 were 41·4 millions, and for 1902 43·1 millions. Exports from the United Kingdom to America were at their lowest (28·5 millions) in 1898, owing to the introduction of the Dingley tariff in 1897. They rose to 35 millions in 1899, and since then the increase has been steady, in spite of the very heavy protective duties of the United States. Since 1882, however, the exports of British produce and manufactures show a decline. The figures are: 1882, 31 millions; 1892, 26·5 millions; 1898, 14·7 millions; and 1902, 23·7 millions, the last being the highest figure reached since 1895. There is no doubt that our manufactures, especially woollens, are greatly hampered in United States markets by the high protective duties, while with increase in population and the development of coal and iron resources, it is inevitable that the Americans should in any case manufacture for themselves many of the goods formerly imported from this country. Our increasing imports from the United States still consist principally of the products of agriculture and stock raising, and of timber and petroleum—in 1900, according to a Board of Trade memorandum, these items accounted for 110 out of a total of 139 millions, while the imports of machinery consisted chiefly of

patented articles, and of new types, principally electrical and metal working. In the Board of Trade memorandum above referred to it is stated that probably portion of the excess of imports from the States is accounted for by the repurchase in the United Kingdom of American securities. This, however, seems to be a somewhat unfounded guess. In 1880 Sir Robert Giffen calculated that the United States, in spite of a then excess of exports amounting to 35 millions, was still borrowing at the rate of £30,000,000 a year, the excess of exports being insufficient by that amount to cover interest and rents due abroad, payment for the use of foreign shipping, and the expenditure of American citizens in other countries, the last item alone, as mentioned before, being reckoned at £20,000,000 per annum. If these figures be correct, it is hard to see where, with excess exports of about 100 millions a year, America has now any margin for redeeming securities, even if she has ceased to borrow. Thirty millions more of exports were required in 1880 merely to strike a balance, and since then a further excess is called for to meet the interest on the money borrowed in later years, when, as a matter of fact, the excess of exports for some time diminished instead of increasing.

In the period since 1880 much British capital has gone into American enterprises, and many British subjects have purchased land in America, the returns from which are transmitted to this country. In the same period a number of Americans have certainly bought estates in the United Kingdom, but generally for purposes of pleasure rather than profit, and, far from increasing our exports to America, these purchases have involved increased imports to pay for the maintenance of, and expenditure upon, them. Then, again, it must be remembered that a very large proportion of the American trade being done by British ships, as it increases an increased shipping bill falls due annually, which must be paid in American exports to the United Kingdom.

Yet other items, perhaps small ones, in the excess of imports from the United States into the United Kingdom, are the amount of remittances sent by British and Irish emigrants to their relatives in the Old Country, and of contributions to various funds in Ireland by the Irish Americans, who have at all times sent home a considerable portion of their earnings in the land of their adoption. How much all these items, large and small, amount to is impossible to calculate without detailed investigation, which would be very interesting; but when one looks at the facts, which seem to indicate that the American excess of exports is on the whole required to make accounts balance, if, indeed, borrowing has ceased; and when one further remembers the great number of reasons for which American

money—in the shape of goods—flows into this country, without any return appearing in our exports, there appears no reason for hastily assuming that our excessive imports from America point to a repurchase in Great Britain of American securities. A continuation of the increase in our exports to the United States would be welcome, but it would be unreasonable and foolish to feel uneasy at its being accompanied by a still further increase in our imports from that country.

Our Trade with Brazil.

Our trade with Brazil has declined, but the imports Brazil. have decreased more, and are now less, than the exports. As we have lent money to Brazil and do much of the carrying trade for her, it is clear that our imports from her ought very largely to exceed our exports to her; and as her exports to the United States very largely exceed her imports from the United States, there can be little doubt that we pay some of our debts to the United States for corn and cotton by exporting our manufactures to Brazil.

Since 1884 British trade with Brazil has increased again, but the latest figures show our imports greater than our exports. In 1884 imports were 4·7 millions; exports, 6·8 millions. In 1902 imports were 6·2 millions; exports, 5·6 millions. In the meantime the balance of trade between the United States and Brazil has remained as it was. The United States still import much more from Brazil than they export to her, taking 65 million dollars worth in 1900, and exporting only 11·4 million dollars worth.

Our Trade with Chili and Peru.

Both our aggregate trade and our exports Chili and Peru. to Chili and Peru considerably decreased in the five years ending with 1880, and for this the cessation of our loans to Peru, and the subsequent Peruvian collapse, and afterwards the war between Chili and Peru, are sufficient reasons. They now show symptoms of revival.

The revival of trade, of which symptoms were apparent when the above was written, was slow and intermittent, but has since been considerable. Imports from Chili and Peru to the United Kingdom were in 1880 6·1 millions, in 1902 5·9 millions. Our exports to these countries for the same years were 2·5 millions and 4·1 millions.

Our Trade with China.

China.

Our imports from China maintained their comparative position until 1880; since then they have decreased a little both absolutely and comparatively, possibly in consequence of a larger quantity of Chinese goods going direct to Continental ports through the Suez Canal. Our exports to China averaged six millions in the five years ending 1870; nearly six millions in the five years ending 1875; and something less than five millions in the five years ending 1880. During the four years ending 1884 the exports have maintained about the same position as in the previous five years. This, however, is a case where nominal values conceal the real facts. Three-fourths and more of our exports to China consist of cotton and woollen manufactures. Now, the quantity of cotton goods exported to China during the five years to 1880 was 2·6 per cent. more than during the previous five years, and of woollen goods 18 per cent. At the same time the price of raw cotton, which forms a large proportion of the cost of cotton goods, was 23 per cent. less in the latter than in the former period, and the cost of raw wool also much less. Consequently the real value of the exports of the produce of British labour was considerably greater in the latter than in the former period. Yet this increasing export trade is what the Fair Traders desire to check, by placing a differential duty on Chinese teas. It must also be remembered that Hong Kong, the trade with which swells the lists of Colonial imports and exports, is really a *dépôt* for China, and that in order to do justice to the trade of China a great part of our trade with Hong Kong should be added.

Since 1884 our imports from China have largely and almost continually declined, standing in 1902 at 2·4 millions. Over the same period our exports to China have steadily increased from 4·4 millions in 1884 to 7·2 millions in 1902, the latter sum being larger than that for 1872. The decline in imports is sufficiently accounted for by the substitution of Indian and Ceylon teas for Chinese tea in British markets, while the concurrent increase in our exports is explained by loans, military expeditions, and investments in mines and railways. The cotton trade is that which in recent years has shown the greatest

increase, having risen from 3·6 millions in 1898 to 5·3 millions in 1902, or, including Hong Kong and Macao, from 4·7 millions to 6·5 millions. Probably a portion of the balance due annually to England is settled through France, which exports in excess to England and imported an excess from China in 1900 of 5·8 millions.

Our Trade with Japan.

The aggregate trade and the exports have both in- Japan.
creased.

In later years the increase has been very great, especially in exports from the United Kingdom, which were 2·6 millions in 1884 and 9·9 millions in 1900, when they reached their highest. In 1902 they were 5·3 millions. Our exports to Japan are liable to considerable fluctuations, according to the loans asked for and the ships bought by that country since its late awakening from Eastern lethargy and its endeavour to rival European countries in manufactures and armaments; e.g., Japan purchased from the United Kingdom ships to the value of 3·4 millions in 1899, 2·6 millions in 1900, 3·4 millions in 1901, and only £250,000 in 1902.

Since 1884 imports from Japan have increased from £662,000, to 1·9 millions in 1902.

Our Trade with British North America.

British North America is certainly one of the Colonies to which our Fair Traders would wish to show special favour. It is Canada which is to profit by their new policy, especially by a tax on United States corn. Now, according to our own statistics, our annual imports from British North America have averaged 7½ millions in the five years ending 1870, 10½ millions in the five years ending 1875, and 11½ millions in the nine years ending 1884. Our annual exports have averaged 6½ millions in the five years ending 1870, 10 millions in the five years ending 1875, and 8½ millions in the nine years ending 1884. So that whilst the imports from Canada have gone on increasing, our exports to Canada under her Protectionist tariff have not only not increased in proportion, but are less than they were at an earlier period. These are figures from our own statistics. I have not the most recent Canadian figures, but the following is an extract from the speech made in the Canadian House of Commons by Sir Richard Cartwright on

British
North
America.

Our trade
with
Canada.

March 3rd, 1885, in answer to Sir Leonard Tilley's Protectionist budget speech :—

"Of our own produce, we sold to Great Britain in 1873, 31,876,000 dollars; in 1884, 37,410,000 dollars' worth. We sold 6,000,000 dollars more of our produce to Great Britain in 1884 than we did in 1873, and from the people of Great Britain, with whom the Minister (Sir L. Tilley) desires to favour our trade, we bought in 1873, 68,360,000 dollars, and in 1884 we imported 41,826,000 dollars. We sold them 6,000,000 dollars more than we did eleven years ago, and we bought from them 26,000,000 dollars less, and the honourable gentleman considers that a proof, I suppose, of how favourable his tariff has been to the interests of our trade with Great Britain. I apply the same rule to our exports to the United States. In 1873, deducting bullion and short returns, we sold to the people of the United States 33,416,000 dollars' worth of goods. In 1884 we sold them 31,632,000 dollars' worth. We sold them about 2,000,000 dollars more than in 1873, deducting the goods in transit, with which the honourable gentleman has no right to complicate the account. In 1873 we bought from the people of the United States 38,147,000 dollars, and in 1884 we bought 49,785,000 dollars; and that is the year in which we improved our trade with Great Britain, and in which we diminished our trade with the United States. Our trade with Great Britain is 26,000,000 dollars less than it was eleven years ago, and our trade with the United States is 12,000,000 dollars more than it was eleven years ago. And, Sir, that is not all. Our trade with Great Britain was based on a much smaller population in 1873, and our trade with the United States in 1873 was much more in our favour than appears on the trade returns.

"Then, it was we who did the smuggling; now, it is the Americans who do the smuggling into this happy country."

Sir R. Cartwright is borne out by the account given at the late meeting of the British Association at Montreal by the well-known statistician, Mr. Stephen Bourne, of the state of our trade with Canada. It is the more remarkable because the conclusion he comes to is, that we ought to refuse to trade with all Foreign Protectionist countries in

order to encourage our trade with Canada and other Colonies ! He says :—

“Turning to the table which sets forth the imports into Canada, it will be observed that the value has of late years exceeded that of the exports, both in the trade with the United Kingdom and the whole world, an indication that she is absorbing more than she is parting with. There is this great distinction between the two, that whereas the exports are of the raw materials for food or manufacture by the purchasers, the bulk of the imports are of manufactured goods to be used or consumed by the customers. Even those shown as animal and agricultural products are mostly in a state for use ; whilst the manufactures and miscellaneous so greatly preponderate over the other classes as to altogether dwarf those in the comparison. In these, too, the proportion drawn from the United Kingdom is smaller than in the exports and less in value than those supplied by the United States. In both cases they range over every description of articles required for daily use, either for consumption or as instruments in carrying on the several industries. Like as with the exports, it is surprising to find that increase of population has brought no addition in value to the trade of recent years ; indeed, that of 1883 is less than it was in 1873. This is more marked in the drafts upon the Mother Country, which are, in fact, 40 per cent. less now than they were ten years ago. Lower prices may have in some degree caused this diminution, but if so as regards the exports from England, it enhances the increase of volume in the trade with the United States, where the difference between the highest year, 1883, and the lowest one, 1880, is as much as 90 per cent. upon the smaller amount. No doubt these conditions will be greatly altered when through railway communication exists, but at present it would seem that the Colony does not respond in the degree which might be looked for to the investments of capital from the Mother Country or the additional people she is sending over. Increased consumption must be going on ; the inference therefore is that more is manufactured within the Dominion than there was formerly. The contiguity of the United States is doubtless a powerful reason for resorting to her stores,

Our trade
with
Canada.

though not an encouraging feature in her relations to the Mother Country."

It is to be remembered that Canada largely increased her duties by her tariff of 1879, that she is still increasing them under the high-sounding title of a "National Policy," and the above figures show the results of this policy on her trade with the Mother Country. This subject is further referred to below (Chapters VII. and XXXVII.).

Since Canada is the one country of the British Dominions which has so far tried the policy of giving a preference to British goods, it is worth while to note what its effect has been in encouraging imports from the Mother Country as compared with those from foreign states. It was in July, 1897, that the first preferential tariff was established, making a reduction of $12\frac{1}{2}$ per cent. on the ordinary tariff in the case of British goods, which reduction was increased in 1898 to 25 per cent., and still further to 33 per cent. in July, 1900.

In order to class together those years in all of which the preference was operative, the average exports to the United Kingdom from Canada and imports from the United Kingdom into Canada since the last edition of this book are shown for the following five-year periods :—

| | Imports for Home Consumption. | Exports. |
|---------------------------|----------------------------------|----------------|
| 1884-88 | £8'6 millions | £ 8'9 millions |
| 1889-93 | 8'7 " | 10'9 " |
| 1894-97 (four years) | 6'8 " | 14'1 " |
| 1898-1902 | 8'7 " | 21'6 " |

This table shows that there has lately been a considerable increase in our trade with Canada, and taken alone might suggest to ardent fair traders that the advantage derived therefrom by Great Britain was sufficient to justify the United Kingdom in imposing duties upon foreign products, if thereby Canada could be induced to extend the policy of preference and other colonies to adopt it. In the period since 1897, however, Canada's population and development have considerably increased, with the natural result of an increase of trade, of which, in any case, the United Kingdom would have got a share. That our increased share since the preference came into operation is a smaller percentage of the whole increase than that enjoyed by several other countries not favoured by the preference is strikingly shown in the following table, condensed by Mr. Harold Cox, Secretary of the Cobden Club, from an official French report on Canadian trade :—

IMPORTS INTO CANADA BEFORE AND AFTER THE BRITISH
PREFERENTIAL TARIFF.

| From | Average of Five Years, 1893-97. | Year 1901. | Increase. | |
|-----------------------|---------------------------------------|------------|------------|-----|
| | | | £ | % |
| United States | 11,921,000 | 23,018,000 | 11,097,000 | 93 |
| United Kingdom | 7,308,000 | 8,962,000 | 1,654,000 | 23 |
| Germany | 1,120,000 | 1,463,000 | 343,000 | 31 |
| France | 557,000 | 1,125,000 | 568,000 | 102 |
| Belgium | 153,000 | 797,000 | 644,000 | 421 |

For the year 1902 the Canadian imports for home consumption from the United Kingdom were £10,114,000, against £8,839,000 for 1901, these being the figures given in the Board of Trade returns for August, 1903, and differing from those in the French report, taken from Canadian returns and quoted above. But in the same year, while exports from the United Kingdom increased by 1·3 millions, those from America increased by 2·1 millions—from £22,702,000 in 1901 to £24,834,000 in 1902. Since 1897, when the preference was instituted, Canada has increased her imports from America by more than £12,000,000; she has increased those from the United Kingdom by little more than £4,000,000. This shows that, in spite of tariff tinkering, trade will follow its natural lines, and that, whatever we may do, the great proportion of Canada's imports must be received from the United States, and, as things are, the free market of the United Kingdom is quite sufficient return for any trifling advantage given to this country by Canada. Our imports thence were in 1901 £19,850,000, and in 1902 nearly £23,000,000, or 56·2 per cent. of Canada's total export trade. This is according to the British return. The Canadian statistics show a larger figure, as corn sent through American ports to the United Kingdom would there appear as Canadian exports, but in our figures would be entered as imports from the United States.

The increase in our exports to, and imports from Canada, is very satisfactory, but there is no suggestion to be found in the figures that a continuation or extension of the preference would justify taxing the food of the British people, for, as Mr. Chamberlain himself pointedly told the Colonial Premiers in July, 1902, "... the substantial results [of the preferential tariff] have been altogether disappointing to us ... the total increase of the trade of Canada with foreigners during the period named ... was 69 per cent., while the total increase of British trade was only 48 per cent." Even this increase is resented by Canadian manufacturers who cry out against the preference.

*Our Trade with the West Indies.*West
Indies.

The British West Indian trade has been nearly stationary; but our exports to the West Indies were slightly less in nominal amount for the five years ending 1880 than for the five years ending 1875, though there has since been a tendency to increase.

Since 1880 our imports from the West Indies and Guiana have fallen from 6½ millions in that year to 2·7 millions in 1902. This is almost entirely due to the ousting of cane sugar by the bounty-fed beet sugar of Europe, the importation of which at cheaper rates than it was sold abroad was of immense advantage to British manufacturers. The Sugar Convention lately ratified is intended, among other things, to deprive our manufacturers of the advantage of cheap sugar for the benefit of West Indian planters. British exports to the West Indies have not decreased by nearly so much as the imports thence, being 3·2 millions in 1880 and 3 millions in 1902. The United States import from the West Indies and Guiana much more than they export, and thus the excess of West Indian imports from the United Kingdom, probably, in a circuitous fashion, pays for portion of our imports from the United States.

Our Trade with the Australian Colonies.

Australia.

The imports from the Australian Colonies have risen from £11,423,000 in 1866 to £25,663,000 in 1880, and to nearly £27,000,000 in 1881, and the rise has been steady, except in the case of a great jump in 1880. In 1882 and 1883 they declined by £1,000,000, but increased in 1884 to over 28 millions. But our exports have not risen in nearly the same proportions, nor so steadily; they were £14,621,000 in 1866, and only £18,748,000 in 1880. In 1874-78 they averaged about 21 millions annually; since 1880 they have risen, amounting to 28 millions in 1882, and to nearly 27 millions in 1883 and 1884.

Australia is, however, the one group of self-governing Colonies to which the Fair Trader will point as showing a steady progressive increase in the whole trade, and a comparatively large recent increase in the exports they take from this country. But I am not sure that the Fair Trader will be much comforted when he learns that one great reason for the increase of exports is the larger amount of the loans which England has been making to Australia.

Our trade
with
Australia.

The amount of her public debt has increased from 27½ millions in 1867 to 78 millions in 1879, and to 109 millions in 1883.* It was estimated† that our loans made to Australia in 1880 amounted to 10 millions, and that her aggregate debt to us, including investments of all kinds, was not less 120 millions. It is probably now much more. In the *Standard* of December 30th, 1884, the Colonial loans for the previous year are estimated at £31,000,000, most of which probably went to the Australian group. In the same paper our Colonial loans in 1885 are estimated at 30 millions. The advance of the principal probably accounts for a large part of the increase of our exports. But I fear that the Fair Traders, who are so much alarmed at the imports which the United States send us in payment of the interest on their debt to us, will at no distant time have to groan over a similar excess of imports from Australia arising from a similar cause. And if the authority to whom I have referred is right in supposing that Australia becomes indebted to us every year for freight earned by our shipowners to the extent of many millions, they will have an additional source of alarm, for we shall get that amount of imports from them without giving them any visible exports whatever in return.

Another thing to be remarked concerning Australia, as concerning India, is that she exports to the United States more than she imports from them. I have already mentioned an instance of the way in which she makes payment to the United States on English account, and there are probably many more; if we check our imports from the United States we shall check our exports to Australia, as well as to India.

Since 1884 British trade with Australia and New Zealand, both in imports and exports, has continued to increase, and its total in 1901 exceeded that of the trade with India, and was more than twice as great as that with Canada. In the same year, when it amounted to 64·4 millions, it was exceeded only by trade with the United States, France and Germany running the latter's 66·4 millions very close. The variation in the proportion and amounts of Australasian imports and exports since the last edition of this book show in a striking manner the effect therein referred to of loans upon our trade. Thus

* See Table XXV. in Appendix.

† See the *Economist*, Aug. 27, 1881.

Our trade
with
Australia.

in 1885, one year of heavy borrowing, imports from all countries into Australia, excluding New Zealand, were £11,179,000 in excess of imports, while in another, 1889, imports exceeded exports by £9,305,000, whereas in 1901, when borrowing had decreased and large interest bills had to be annually met, exports were greater than imports by 8·7 millions. But even then Australia apparently required a much larger balance of exports to meet all her liabilities. A mere statement of the public debts of the different states gives no adequate idea of the amount of Australasian indebtedness to England, since there must be reckoned in addition the debts owed by municipalities and the great sums of money invested on private account in Australasian enterprises. Mr. Coghlan, the Government statist of New South Wales, estimated that in 1871 British money lent to the states and municipalities totalled £34,362,000, and invested on private account £38,594,000, or a total of £72,956,000. In 1901 the total had increased to £387,772,000, made up of state and municipal debts £241,352,000 and private investments £146,420,000. Further, in 1901 he estimated the interest bill due annually in London from the Australian Colonies at £16,261,000, of which the yearly interest due on State debts to other than Australasian creditors was only £7,991,000, or less than half the total.

From these figures it should be clear that the most ardent Protectionist need not trouble himself when imports to England from the Australian Commonwealth and New Zealand begin to greatly exceed the exports. A different state of affairs can only mean that Australia is not meeting present interest, or is still further increasing her liabilities.

Nothing now comes indirectly from Australia through America, as the excess of Australian exports over imports in her trade with the United States to which Lord Farrer referred no longer exists, the balance being at present largely the other way. In 1891 Australasian exports to the United States were £3,269,000 and imports £2,920,000, whereas in 1901 exports were £3,893,000 while the imports had jumped to £7,369,000. At the same time the circuitous nature of international exchange is well exemplified by the trade relations of Australia, the United Kingdom, and the Cape of Good Hope. Direct imports from Australasia to the United Kingdom in 1901 exceeded direct exports by only 2·4 millions; but in the same year Australasian exports to the Cape exceeded imports thence by nearly £5,000,000, almost the whole of the excess being sent on English account in the form of provisions for horses and men in South Africa. Thus, through exports to South Africa, Australasia discharged a large proportion of its obligations to the United Kingdom. In 1901 again Australasia

sent to France nearly two millions, to Holland nearly a million, and to Belgium half a million more than was received in return, much of the excess being probably on British account. To India and Ceylon Australasian exports were a million in excess of imports, that million probably going on from India to America, which imports from that country far more than she exports to it.

More detailed figures as to the course of Australian trade with the United Kingdom in recent years are as follow:—Imports from Australasia fell from 28·3 millions in 1884 to 20·9 millions in 1886, rising to 29·3 millions in 1890, and to 33·3 millions in 1895, attaining in 1900 their maximum of 35·4 millions. Owing to the destruction of crops and of flocks and herds by the late drought in Australia they fell in 1902 to 30·6 millions.

In exports the 28·1 millions of 1885 rose in 1888 to 28·6 millions, falling to 25·5 in both 1889 and 1890, and to their minimum of 16·9 millions in 1893, rising to their maximum of 29·5 millions in 1901, and falling again to 27·7 millions in 1902.

Consideration of these figures shows that although a large portion of Australia's 8·7 million excess exports reach this country indirectly, enormous amounts of British capital are still flowing into Australia, and that even if the whole of the excess from Australia went to the United Kingdom there would still be 8 millions of Mr. Coghlan's £16,000,000 unaccounted for in 1901. The imports from Australia include bullion and specie, gold being one of Australia's principal products.

Lastly, it may be remarked that the great volume attained by the Australasian trade, in spite of the fact that the Commonwealth has a heavy protective tariff and gives no preference to the United Kingdom, shows that preferential tariffs with Australia are unnecessary. We already have more than three-fifths of the total external trade of the Commonwealth and New Zealand, and of the remaining two-fifths considerably more than a quarter is carried on with other British possessions. From America Australia buys mineral oil and tobacco (which we cannot supply), other countries also send special products, and there remains a very small margin of trade to be secured by even the most drastic sacrifices on the part of the United Kingdom.

Our Trade with South Africa.

The imports from South Africa rose steadily in the fifteen years ending with 1880 from £2,720,000 to £5,640,000, and have continued at about the same amount since. In our exports there was a rise till 1876, when there was a drop of nearly a million—viz. from £5,350,000 in

South
Africa.

Our trade
with South
Africa.

1875 to £4,503,000 in 1877. In 1879 and 1880, owing probably to the war, and not to legitimate trade, there was a great rise, and in 1880 they amounted to £7,206,000. In 1882 they rose to £8,078,000, but fell in 1884 to £4,533,000.

Since 1884 trade with the Cape and Natal has largely increased, partly owing to the natural development of South Africa, and especially the gold production of the Transvaal, and partly owing to the extraordinary conditions brought about by the war. In 1898, before the war broke out, our exports had risen to 13·1 millions, and our imports from South Africa to 6·2 millions. During the war there was an increase of exports, but a fall of imports to less than 4 millions in 1900; and in 1902, when peace was restored, but the British Government was still spending huge sums in South Africa, exports were 26·4 millions and imports 5·6 millions.

Our Trade with India.

India.

The imports from India on the whole decreased during the fifteen years ending with 1880. The aggregate for the five years ending 1870 was 150 millions; for the five years ending 1880, 143 millions. The highest year was 1866, 37 millions; and the lowest 1879, 24½ millions. Since 1880 they have increased and amounted to about 39 millions in 1882 and 1883, and although there was a fall of over 4 millions in 1884, the figure for that year was still 10 millions larger than in 1879.

Our exports to India have been steady, ranging from 18 to 25 millions, and increasing slightly in each succeeding period of five years up to 1880. But in 1880 there was a great jump from £22,715,000 to £32,028,000, and this increase has been maintained on the whole in subsequent years.

From 34·5 millions in 1884 our imports from India fell to 30·5 millions in 1887, rose to 36·2 millions in 1889, fell steadily to 30·5 millions in 1892, to 26·2 millions in 1893, and have varied little since, never reaching the 30 million mark, and standing in 1902 at 28·7 millions.

Our exports to India, which were 32·1 millions in 1884, rose to 35·2 millions in 1890, then fell again considerably, and regained the 1890 level only in 1901, when they were 35·7 millions. In 1902 they were 33·5 millions.

But there is something further to be learnt from the Indian trade. Whilst in 1880 the exports to India, including bullion, were 37 millions, the imports from India were only 30 millions: a very remarkable fact in itself when we remember that in addition to the freight, charges, and profits, which we ought to receive over and above the value of our exports, India has to pay us about 20 millions annually in the form of tribute, for which she gets no return in goods. If this fact stood alone, it might warm the heart of a Fair Trader, but it would be an embarrassment to the political economist. Let us see if it is capable of explanation. Omitting the year 1880, we find that for the ten years ending 1879, according to the English statistics, our exports to India, including bullion, were 286 millions, and our imports from India 303 millions, or an annual average of over 28 millions of exports to 30 millions of imports. This, though more intelligible than the figures for 1880, still leaves much to be explained. Two millions a year is far short of what India ought to send us. Turning to the Indian statistics, we find that for the same ten years the imports into India from the United Kingdom were 351 million pounds, or an average of 35 million pounds a year; and that her exports to the United Kingdom were 295 million pounds, or an average of 29 million pounds a year; leaving an aggregate surplus of imports of 56 million pounds, and an annual average surplus of imports of more than five million pounds. The difference between these statistics and our own is accounted for partly by the fact that though the rupee has fallen in value, it is converted in the Indian statistics at the rate of 2s., and partly by the difference between the value of goods at the port of shipment and their value at the port of arrival, but the Indian figures make it still more difficult to understand how India manages to pay her tribute to us, more especially since in the case of India there cannot be the transfer of securities by which in many other cases the balance of trade is settled. The exports of railway material to India, which were in fact loans to India, will account for a part, but only a small part, of the difference. But if we turn to another page of Indian statistics we shall find the explanation. There are many countries to which

Circuitous
Trade of
England,
the East,
America,
and other
Foreign
Countries.

Circuitous
Trade.

Circuitous
Trade.

India, according to her own statistics, exports much more than she receives from them—viz. France, Austria, Italy, the United States, China, and Ceylon. Appended is a table* giving her trade with these countries for the same years—1870 to 1879. From this table it appears that the aggregate imports into India from these countries during that period was 57 millions, and the annual average nearly six millions; whilst the aggregate export to them from India was 243 millions, and the annual average above 24 millions, leaving an aggregate surplus export of 186 millions, and an average annual surplus export of nearly 19 millions; which, curiously enough, is about the amount of the English tribute. This coincidence is, no doubt, accidental, and the real value of the exported goods when they reach the place of importation must, of course, be much higher.

Now all these countries, except Italy, to which I have referred before, are countries to which, according to our own statistics, England exports much less than she receives from them, to the great sorrow of the Fair Traders. Perhaps they will be comforted when they see that the balance is redressed by means of that Indian trade which they are so desirous to encourage. England buys what she needs from America, from France, and from other countries; India buys from England; and America, France, etc., in their turn buy from India and the East. The process may be more circuitous still. For instance, India exports to China much more than she receives from China, averaging, for the ten years ending 1880, nearly 10 millions a year; China sends to America as well as to England more than she receives from them; England no doubt sends manufactures to India; India sends opium, etc., to China; China sends tea to America; America sends corn to England, and thus the accounts are balanced. But however numerous the steps of the process, and however circuitous the channels, trade will find its way and its level.

China must now be left out of account as a link in the chain of trade between India and the United Kingdom, as at present we export

* See Table XII., in Appendix.

to China much more than we receive thence. But though some of the facts have altered, the conclusion stands that India pays her indebtedness to England through other countries, exporting to them much more than she receives, while they in their turn send to England much more than they receive thence. In 1901, for instance, the excess of Indian exports by sea over imports received by sea in the case of the United States, France, Germany, and British possessions—all of them large excess exporters to the United Kingdom—was 20·5 million pounds, Indian exports to these countries being 33·4 millions, and imports thence 12·9 millions.

I have dwelt on this case because it is a good illustration of the folly of supposing that the statistics of the direct trade between any two countries give a complete account of their respective dealings, and of the consequent difficulty of foreseeing the ultimate effects of anything which promotes or impedes a particular branch of trade. In this case it is quite possible that the European demand on America for corn may have stimulated the export trade of India, which, as we have seen, has largely increased in the last few years. And it is also possible that if our Fair Traders could have their way in checking the supply of American corn to England, they might be injuring that Indian trade which they are so anxious to promote.

There is another observation to be made on the above figures. The proportion of our trade with France and some other Continental nations has slightly declined; so has our trade with all British Colonies and possessions, excepting Australia and India. May this not be in part due to the Suez Canal, which on the one hand brings those possessions in closer communication with England, and on the other hand transfers the *entrepôt* trade of the East from England to the Mediterranean ports?

With such figures as given above, it is nonsense to say that our Colonial trade is free from fluctuations; that the demand for our exports is steadily and constantly on the increase, or that it bears in each case a fixed proportion to our imports.

I have added to the Appendix a table (No. XXV.) showing the total imports and exports of each of the Australian Colonies, and of Canada, during the last ten

Effect of
Suez Canal.

Colonial
Trade fluctuations.

Tables of
Colonial
Imports

and Ex-
ports.

years. One remarkable fact is that Canadian trade is small in proportion to her population, when compared with the other Colonies, and stationary; and another, that of all our Colonies, New South Wales, the Free Trade Colony, is the one in which trade has progressed the most rapidly.*

Conclu-
sions.

From all the above figures it is clear that our direct trade with the Colonies, considered in the aggregate, maintains about the same proportion to our whole trade which it did twenty years ago. It was 24 per cent. in 1866, and 25 per cent. in 1883. In the case of some Colonies it is increasing, in others diminishing. With Canada and the West Indies it is nearly stationary; with Australia and India it is increasing. It is also clear that it fluctuates as much as our direct trade with other countries.

Colonial
Trade
does not
increase
more or
fluctuate
less than
Foreign
Trade;
the two
are
intimately
connected;
are similar;
and are
similarly
influenced
by many
local and
temporary
causes.

In 1901, with the establishment of the Australian Commonwealth, New South Wales lost her position as a Free Trade country, becoming subject to the new common Protectionist tariff of Australia. Since the last edition of this book, however, in 1895 to 1901 New South Wales had instituted a tariff lighter even than that of the United Kingdom, and under it in 1900 did a trade of 18·2 millions with this country, as against a trade of 13·4 millions done by Victoria. The population of New South Wales was then 1,364,000, and of Victoria, 1,197,000.

The direct trade of the United Kingdom with the British Colonies and possessions in 1902 was 25·6 per cent. of the whole.

Some other things are also made obvious by them.
For instance :—

The direct trade with our different Colonies and possessions has no uniform character making it to differ from the direct trade with foreign countries.

The direct trade either with foreign countries or with the Colonies is no complete or real indication of the whole character of the trade. It is often circuitous, and the flow and return of our trade with any given country is often on'y completed by a roundabout route through one or more other countries. To restrict our trade with a foreign country may be to restrict the trade of a Colony, and *vice versa*.

* See Chapter XXXVII. below.

The amount of our exports to and imports from each foreign country and Colony is at different times influenced by a large number of causes altogether independent of the permanent demand for our manufactures in that country—*e.g.* by such things as the Franco-German war, the French indemnity, the cotton famine, the Indian tribute, the opening of the Suez Canal, the war in South Africa, or in Egypt, and, perhaps, above all, by the character and quantity of British investments abroad. Statisticians have estimated these at £2,000,000,000, of which between three and four hundred millions are probably lent to our English-speaking Colonies, and between six and seven hundred millions to the whole of the British Empire abroad, all of which tend to cause exports as the capital is lent, and imports as the interest is paid.*

What British investments abroad now amount to is impossible to say, but they must be very much over £2,000,000,000. Lord Farrer puts the sum invested in the British-speaking Colonies at between three and four hundred millions, whereas in 1901 Mr. Coghlan, New South Wales statist, estimated it at nearly 388 millions for Australia and New Zealand alone. The *Daily Telegraph*, in a series of Protectionist articles, recently accepted the interest annually receivable from abroad in the United Kingdom as 135 millions.

CHAPTER VII.

PROTECTION IN FOREIGN COUNTRIES.

I PROCEED to consider another assumption of the Fair Trade League—the assumption, namely, that the Colonies will receive our goods on better terms than foreign countries; that they are, so far at any rate as we are concerned, less commercially hostile and less Protectionist.

It is not easy to follow the history in the changes of any one tariff, to compare specific with *ad valorem* duties, and

Assumption that Colonies have less tendency to Protection than Foreign Countries.

* See *Economist* of Feb. 9th and 16th, 1884.

Protection
in Foreign
Countries.

to ascertain their several effects on our principal manufactures. Still less easy is it to compare the history of the tariffs of different countries and their several effects on our trade. But before any assumption such as I have mentioned was made, this ought to have been done. That it has not been done I need not say.

In the programme of the Fair Trade League it is simply asserted that in our own Colonies "our goods will be taken, if not duty free, yet subject only to revenue duties almost unavoidable in newly settled countries, and probably not equal to one-third the Protective duties levied by the United States, Spain, Russia, etc."

From this and similar expressions it might be supposed that the tendency of foreign countries generally was to increase their Protective duties, and the tendency of our Colonies to diminish them. It is desirable to see what the facts really are. In 1879 two returns* were obtained by Mr. Talbot, giving the duties levied on the principal English manufactures in the Colonies and in foreign countries in 1859 and in 1879 respectively; and a return was subsequently moved for by Lord Sandon, giving the duties levied on the principal English manufactures in all foreign countries and in each of the Colonies.† There are also appended to this paper two tables,‡ the one giving the actual rates of duty levied on our manufactures in the different countries and Colonies at the time of these returns, the other giving the same reduced, so far as possible, into *ad valorem* duties, for the purpose of comparison. The figures in both are probably accurate enough for the purpose of the present argument, but it must be borne in mind that every statement of an *ad valorem* duty is necessarily uncertain. The price of the article at the time, the place at which the value is taken, the modes

Returns of
Duties,
1859 and
1879.

Lord
Sandon's
return.

Rates of
Duty in
Foreign
Countries
and Colo-
nies.

* See Parl. Papers Nos. 200 and 218, of 1879.

† See Parl. Paper No. 333, of 1881.

‡ See Tables XIII. and XIV. For these and other tables and information I am indebted to Mr. E. J. Pearson, late of the Statistical Department of the Board of Trade. The labour of preparing them is so great that I have not had them altered so as to show changes in foreign and colonial tariffs, which have been made since 1881; but I have in this and the following chapter called attention to the most important of these changes; for this information I am indebted to Mr. Bateman.

of estimating it, are all varying and uncertain factors, so that in comparing *ad valorem* duties with one another, and in reducing specific duties into *ad valorem* duties, there is always large room for doubt and inaccuracy. Since these tables were prepared, further changes have been made, generally in a Protectionist direction; and to the most important of these I have called attention in the text. Taking the different countries in succession, the general features, as shown in the above returns, and taking also into consideration subsequent alterations seem to be as follows:—

Tariffs of
Foreign
Countries.

Russia.

Russia.

Russia made large diminutions in her heavy duties between 1859 and 1879. From January 1st, 1881, they have been raised 10 per cent.; but not to the extent by which they had previously been diminished. As, however, the duties are now paid in gold, the difference in value between paper and gold made the duties in many cases as high as or higher than in 1860. From July ^{1st}/_{13th}, 1882, a new tariff and revised classification came into operation, affecting the greater number of imported articles adversely. Several articles were removed from the free list and subjected to duty, and increased duties were imposed on a great number of others. In all cases those duties, which were previously charged *ad valorem*, were changed for specific. In July, 1884, coal and coke, hitherto admitted free, were subjected to duty, and the duty on cast-iron raised. On ^{Jan. 20}/_{Feb. 1}, 1885, the duties on several articles, including salted herrings, were again considerably raised, and this was followed in March of the same year by the imposition of a new duty on agricultural implements and machinery. On the ^{20th May}/_{and June}, 1885, the duties on sheet-iron and steel, copper, various descriptions of iron and steel goods, and machinery were increased, and a few days later a decree was issued imposing additions of in some cases 10 per cent., and in others of 20 per cent., to the duties on most of the articles in the Russian tariff. Further additions to the duties on copper and brass, and manufactures of these metals, have since been imposed.

Tariffs of
Foreign
Countries.

Russian duties were increased in 1885, and again in 1887. In 1890 the tariff was increased 20 per cent. In 1893 some of the duties were reduced by the Franco-Russian Treaty, the United Kingdom gaining the advantage under the most-favoured-nation clauses, while in the same year there was a tariff war with Germany. In 1897 there were further increases in the tariff, chiefly for revenue purposes. Since 1885 the most notable increases have been on yarns of wool, cotton, and hemp, and on sugar, metals, and machinery. It is now calculated by the Board of Trade that the average *ad valorem* equivalent of Russian import duties on the principal exports of British goods from the United Kingdom is 131 per cent.

Germany.

Germany.

In Germany there were very great reductions between 1860 and 1870, so that the tariff previous to the late increase was a very moderate one. In 1879 came Prince Bismarck's well-known Protectionist measures, and the duties on many articles of manufacture, as well as on food and raw materials, were largely increased. On March 21st, 1885, a Bill was passed provisionally raising the duties on cereals, malt, wine, and miller's products, and after prolonged consideration the Reichstag passed a measure confirming these provisional increases, and also raising the duties upon many other articles of import. A Parliamentary paper,* issued in July, 1885, gives in a comparative form the rates of duty levied under the revised tariff and those previously in force, from which it will be seen that, besides the duties above mentioned, the list of duties increased includes cotton lace and embroidery; coarse linen yarns and linen thread; linen damasks and embroidery; asbestos manufactures; wearing apparel of silk, or of silk mixed with other materials; silk thread, lace, and mixed goods; various oils; stone and stonewares; matches; and various other articles of less importance to our export trade. On some few articles the German duties are now higher than in 1860, but in most instances they are much lower; and, high as they are, they are not now on the whole so high as the duties imposed at the same time by Canada.

* Parl. Paper No. 309, of Session 1885.

Since 1892 there has been no alteration in the German tariff. In 1888 there were increases on foodstuffs, but the duties have in several cases since been reduced again to a little higher than the level of 1885, wheat, *e.g.* which paid a duty of 3 marks per 100 kilogrammes in 1885, paid 5 marks in 1888 and 3.50 marks in 1892, flour 7.50 marks in 1885, 10.50 marks in 1888, 7.30 in 1892. In 1892 German duties were reduced in common with those of Austro-Hungary, Italy, Switzerland, and Belgium by means of Central-European Commercial Treaties.

Tariffs of
Foreign
Countries.

In the fixed duties of Germany there have been some increases and some decreases, both inconsiderable, but with the fall in prices of nearly all articles of merchandise this means a higher *ad valorem* charge, and Germany is, on the whole, more Protectionist than she was in 1885. It is estimated that British goods exported to Germany pay an average *ad valorem* duty of 25 per cent. The great success of the Socialist party at the late elections, though it has other significance, is generally recognised as in part a protest against the tariff system of the Empire.

Holland.

In Holland there has never been an increase, and the reductions have been frequent and steady. Her tariff is now one of the lowest in the world, as low, in fact, as the tariffs of our Free Trading Colonies. There has been no change since 1881, but certain proposals have recently been laid before the States-General by the Government with a view to raising the duties on sawn wood, petroleum, tea, various fruits, and articles containing sugar.

Holland.

Holland is still practically a Free Trade country, with a large list of undutiable articles and others subject to 5 per cent. duties for revenue purposes only. Its tariff is now lower than that of any self-governing Colony of the United Kingdom.

Belgium.

In Belgium, again, with the exception of sugar, mentioned below, there has been no increase, but many reductions. Her tariff, though not so low as that of Holland, is on the whole lower than that of France. It will compare favourably with that of Canada, if not with that of Victoria. A recent increase has been made in the Excise

Belgium.

Tariffs of
Foreign
Countries.

duty on sugar, and the surtax on foreign sugars was increased at the same time. A proposal was laid before the Chamber of Deputies in July, 1885, for the reduction of the Customs duties on cotton yarns, threads, and tissues, and also on woollen yarns; but the Committee of the Chamber having reported adversely to the proposal, the Bill was postponed until the following session. A Commission has since been appointed to inquire into and report upon the proposals.

There have been some small increases in the Belgian tariff; the duty on pig iron has been reduced. Though not so near Free Trade as Holland, Belgium has, nevertheless, a less Protective tariff than Canada or the Australian Commonwealth. There were several reductions in the duties on manufactures in 1895.

France.

France.

In France there were several diminutions of duty between 1860 and 1881. The duty on woollen yarns had been increased. Except in the case of iron, the duties were far lower than those of Canada. But a new Conventional Tariff came into force in May, 1882, and was extended to the United Kingdom in virtue of the law of February 27th, 1882. The differences are numerous, and consist in many cases in the substitution of specific for *ad valorem* rates. On many articles the specific duties hitherto enforced were considerably raised, but on the other hand many important reductions were made. On April 28th, 1885, two decrees were issued, signed by the President, putting in force the laws relating to increased Customs duties on cattle and cereals. Certain increases have also been made in the Customs duties on sugar and articles containing sugar, in consequence of alterations in the Excise duties. From time to time changes have been effected in the construction of the tariff, and the tariff itself appears to have been in some cases harshly applied—certainly as regards imports from this country.

In 1892 there were general and considerable increases in the French Customs tariff. The duties on wheat and flour were increased in 1894, and on meat (fresh and salted) and on live animals in 1903. On all the articles mentioned in the Appendix, Table XIII., the rates

of duty are now as high as, or higher than, they were in 1885. The average *ad valorem* equivalent of the import duties levied on the principal articles of British export from the United Kingdom is calculated by the Board of Trade at 34 per cent.

Denmark.

The duties are, with a few exceptions, the same as or lower than in 1860. No alteration since 1881. Denmark.

There have been no alterations of importance in the Danish tariff since the last edition of this book.

Sweden and Norway.

Sweden.—The duties have been generally reduced since 1860, and in no case increased, except on spirits and sugar. There has been no alteration of importance since 1881 in the Swedish tariff. Sweden.

Norway.—In 1882 the existing tariff was revised, some duties being increased and others decreased, but in the majority of cases the increases considerably preponderated over the decreases. In 1884 and 1885 further revisions were made, and certain changes effected in duties on articles of export from this country, there being a tendency to a slight increase. Norway

In Sweden and Norway there have been numerous alterations of duties, all tending towards an increase in Protection.

Italy.

Between 1859 and 1879 there were large reductions. The duties were subsequently increased, but not to the extent of the previous reductions. A treaty of commerce was established between Italy and France in November, 1881, and put into force on May 16th, 1882, and under this treaty some important reductions were effected and extended to the United Kingdom, and a law was passed on July 6th, 1883, further modifying the Customs duties, slightly decreasing them in a few cases. Since November 29th last the surtax on spirituous liquors has been increased, and the import duties on a few articles of consumption were also increased at the same time—the list

Tariffs of
Foreign
Countries.

of articles including sugar, coffee, chocolate, chicory, syrups, glucose, and cigars. The import duties are, on the whole, lower now than in 1860, but on some important articles of British produce they are higher. The tariff is now less favourable than that of France, but much more favourable than that of Canada.

There has been an all-round increase in Italian Protective duties since 1885, the additions being principally made in 1888, but some reductions took place in 1892 in consequence of the commercial treaties already referred to. The tariff is now higher than that of Canada as far as articles of British export are concerned. The average import duties levied thereon are estimated at 27 per cent. *ad valorem* in Italy and at 16 per cent. *ad valorem* in Canada.

Austro-Hungary.

Austro-
Hungary.

The reductions between 1860 and 1870 were very large indeed. A considerable increase has since been made on silk, cotton and woollen goods, and on leather, but the recent increases are nothing like the previous reductions. A new general tariff, involving a considerable augmentation of duties, came into force on June 1st, 1882. As to articles included in the Conventional Tariff conceded to Italy in 1878, the augmentation did not take effect on British goods; but other articles not so included are numerous. It has been for some time in contemplation to increase the duties on many articles, and a Bill for the revision of the tariff has been submitted to the Reichsrath with this object. The Bill has, in fact, been passed by the Lower Chamber, but its consideration by the Upper House has been postponed for a month or two. Austria is to have dear corn, and Hungary is to have dear manufactures! Still, the Austro-Hungarian tariff is, on the whole, except in the matter of iron, considerably more favourable than that of Canada.

In Austria, in 1887, there were several alterations in the tariff, generally in an upward direction. In 1892 there were treaty reductions, and the duties on some articles, such as pig-iron, steel rails, boots and shoes, and porcelain are now lower than in 1885, whereas those on woollen goods, agricultural machinery, printing paper, jams of all kinds, and sugar are higher. The average *ad valorem* rate

levied on British goods (at their export value) is estimated by the Board of Trade at 35 per cent.

Spain.

Spain.

Spain reduced her enormous duties between 1859 and 1879, but has since placed differential charges on English goods in return for what she considers our differential duties on Spanish wines. A new tariff came into force on August 1st, 1882, but reductions which were made applied, almost exclusively, to imports from other countries enjoying most-favoured nation treatment, and therefore did not benefit British trade. On July 13th, 1883, the duties on certain raw materials imported into Spain were modified. Negotiations for a commercial treaty with this country have long been proceeding, and have at last been concluded, so that we have now the benefit of the Spanish Conventional Treaty, which largely reduces the duties payable under her General Tariff. It is to be hoped that, in reforming her tariff, the abuses of her Custom House system will also be reformed, for they are quite as great impediments to trade as her tariff.

Since 1885 Spain has enacted an entirely new tariff, under which the duty on nearly every article has been raised, rails for railways being one of the few cases in which a reduction has taken place. The trouble with the United Kingdom concerning wines has been removed by the admission of wines of a higher alcoholic strength than formerly at the minimum British rate of duty.

Portugal.

Portugal.

Portugal also made some reductions in her heavy duties between 1859 and 1879. A new Conventional Tariff, which considerably modified the old tariff, was conceded to France and extended to other countries by the law of June 7th, 1882, and the duties then established were of a more favourable character, many reductions being made, and in several cases *ad valorem* duties were substituted for specific rates. Some slight addition has since been made.

In 1892 Portugal increased her tariff, almost the only item in which the duties are now lower than in 1885 being rails for railways.

Tariffs of
Foreign
Countries.

Under a reciprocal commercial treaty, Spain and Portugal admit one another's goods at a specially low rate of duty, but except for this the United Kingdom enjoys the greatest reductions made by these countries in their conventional tariffs.

Japan.

Japan.

Since 1885 Japan has instituted a comprehensive tariff, with duties of from 5 per cent. to 25 per cent. on the main articles of import. Among the few goods on the free list are rice, tea, oil-cake, raw wool, paraffin wax, and horses. The duties appear to be specially designed to give protection to the textile industries, woollen yarns, *e.g.*, being dutiable at 13s. 10d. and 15s. 10d. per cwt., while the raw material is admitted free. The duty on silk manufactures is 25 per cent.

United States.

United
States.

The United States are, among foreign countries, the one great exception to the rule that duties are, on the whole, lower than before 1860. Their present tariff, varying from 35 to 100 per cent. *ad valorem*, is not only much higher than it had ever been in previous years, but is much higher than any other of the tariffs I have referred to, and is probably as near prohibition as a working tariff can be; and yet such are the beneficent laws of Providence, that, in spite of the folly of man, the United States do an enormous trade with us and with other countries, and have, no doubt at an immense and needless cost to themselves, the use of a large share of the good things of other countries. It has been altered from time to time, and considerable changes were made in 1883. But its general character and effect are unaltered.

The McKinley tariff of 1890 heavily increased Customs duties in the United States, while at the same time the Customs regulations were made much more onerous. In 1894 duties were considerably reduced under the Wilson tariff, but there was a further Protective reaction in 1897, when the Dingley tariff made large increases in the Protective duties, with the result of immediate diminution of American imports from the United Kingdom. Since that time there have been a number of more or less trifling alterations tending on the whole to an increase in the *ad valorem* rates of duty. The average of the *ad*

valorem duties now levied in the United States on the principal articles of British export is calculated by the Board of Trade as 73 per cent. (on the export value when they leave this country).

On the whole the tendency of foreign countries since 1881 has been to increase their Protective duties.

CHAPTER VIII.

PROTECTION IN THE COLONIES.

LET us now consider the case of our own Colonies. The following appear to be the facts :—

Protection
in the
Colonies.

New South Wales.

The tariff here always has been and still remains very low—lower, except in one or two particulars, than any European tariff. New South Wales is, *par excellence*, a Free Trading Colony. There has been no change of importance since 1881.

New South
Wales.

Victoria.

Victoria, which had in 1859 a tariff as low as New South Wales, had raised her duties considerably in 1879, and has raised them still more since. They are now considerable, and are, on many important articles, as high as those of France, Italy, or Austria, and higher than those of Holland or Norway. No change of importance since 1881.

Victoria.

South Australia.

There were no import duties in 1859 ; in 1879 she had imposed considerable duties on various articles of British manufacture, and these still remain. They have been recently much increased.

South
Australia.

Western Australia

Had duties of about 7 per cent. *ad valorem* in 1859 ; many of them were increased to 10 per cent. by 1879, and they have since been still further raised. They are now as

Western
Australia.

Tariffs in
Colonies.

high as, or higher than, those of Victoria. No change of importance since 1881.

Tasmania.

Tasmania.

There were no import duties in 1859; in 1879 considerable duties had been imposed, which have since been raised. They are now, on the whole, higher than those of Victoria. The general effect of the tariff remains unaltered.

Queensland.

Queens-
land.

There were no import duties in 1859; since then duties have been imposed, which, however, are not as high as those of the last-named Colonies, though higher than those of New South Wales. The changes since 1881 have not been important.

New South Wales, after a short spell of moderate Protection lasting from 1892 to 1895, introduced an ultra-Free-Trade tariff, and greatly thrived under it. In Victoria there were steady increases up to 1895, when Protection reached greater heights than in any other country, except the United States, the duties averaging more than 40 per cent. There were slight decreases in 1896, but at the establishment of the Commonwealth Victoria was still ultra-Protectionist. South Australia further developed her policy of Protection since 1879, as did Queensland also. Western Australia established high Protective duties, but not so high as those of Victoria, and joined the Commonwealth only on the condition that she should be allowed to reduce her inter-State duties gradually instead of abolishing them at once. When Protection against the more developed eastern States was doomed by Federation, the West Australians, not wishing to be exploited by the protected manufacturers of Victoria and New South Wales, sent an almost solid Free Trade delegation to the Commonwealth Parliament. The feeling was that it would be better for West Australia to buy cheap in the markets of the world than dear in a protected Commonwealth market, of which West Australian manufacturers could hope for little share.

Tasmania, when Federation came, had a high tariff of great range, covering nearly 90 per cent. of her imports, but levied more for revenue than protective purposes.

Now all the State tariffs are merged in that of the Commonwealth, which is avowedly Protectionist, and higher than that formerly pre-

vailing in most of the protected States, but much lower than that of Victoria. The Free Trade party is gaining strength, and the tariff issue is that upon which political parties are divided. Tariffs in Colonies.

Under the new Commonwealth tariff it is calculated by the Board of Trade that the *ad valorem* equivalent of the import duties levied on the principal articles of British export to all countries (at export prices) averages only 6 per cent. This low rate is accounted for by the fact that cotton yarns, pig iron, tin plates, steel bars, and chemicals, which form a large proportion of British exports, are duty free in Australia, while cotton piece goods pay only 5 per cent. *ad valorem*, worsted yarn 5 per cent., linen manufactures 5 per cent., machinery 12½ per cent., and woollen and worsted manufactures 15 per cent.

New Zealand.

There were no import duties in 1859; in 1879 duties amounting to 10 per cent. had been imposed on many English products. These duties have since been raised, and the tariff is now as high, on the whole, as those of other Australian Colonies. In 1881 her duty of 15 per cent. on cottons was taken off. There has been no important change since. New Zealand.

In 1885 and 1886 there were additions to the tariff, principally to increase revenue and meet financial depression, but the New Zealand tariff, though moderate, is at present more protective than it was in 1881. Almost every article used in agriculture and primary production is free of duty. Nine per cent. is given by the Board as the average *ad valorem* equivalent of the import duties on the principal articles of British export.

Canada.

Has, as is well known, largely increased her duties by her tariff of 1879, and has since made minor alterations, which, however, have not changed the Protective character of her tariff. Some of these alterations certainly strike our industries. Her tariff is now considerably higher than those of France, Italy, or Austria, and of course much higher than those of Holland or Belgium. It is thoroughly Protective. It was expressly so intended by its authors, and bids fair, if the spirit in which it was proposed continues to prevail in Canada, to rival the monstrous tariff of the United States. Nor is there any tendency to improve- Canada.

Tariffs in
Colonies.

Canada.

ment. Sir L. Tilley on March 3rd, 1885, introduced his budget in an elaborate speech. He is an economist who would gladden the heart of the Fair Trader. He apparently thinks that he can perform the feat of making goods dear to the buyer and cheap to the seller at the same time. He is shocked at the excess of imports into Canada; he apologises for their increase in 1883-4. He prides himself on redressing the balance of trade, and on making his country pay to foreign countries more than she receives from them. He quotes certain figures, not undisputed, to show that in consequence of what he calls his "national policy" (which, it must be remembered, is a policy of Protection against foreign, including English, goods), Canadian manufactures have increased in the number of hands employed by 50,000, in wages paid annually by £3,000,000, and in annual value of products by £16,000,000. He seems to think that this is a pure addition to the wealth of Canada, which, but for his policy, would have gone to foreigners or to Englishmen, instead of being, as it really is, a compulsory and artificial transfer of the labour and capital of Canadians from the industries in which they can produce more to the industries in which they can produce less, and a consequent diminution of the aggregate wealth of Canada and of employment for its labour—a wrong not only to the Canadian consumer, who has to pay more than he would have to pay if he bought in the open market, but a still greater wrong to the Canadian labourer and emigrant, who is prevented from producing what would give him the largest result and employ the largest quantity of labour at the highest wages. At the same time, Sir L. Tilley does not challenge the fact that in 1878, before his Protectionist tariff, Canada sold abroad 4,127,000 dollars' worth of her own manufactures, and in 1884 only 3,500,000 dollars' worth; and that—whilst the population and resources of Canada have greatly increased in the interval; whilst Prince Edward's Island and Manitoba have been added to the Dominion; whilst, above all, there have been enormous and exceptional demands in Europe for the natural products of Canada—the whole exports of Canada, including food and timber, which stood at 73 millions of dollars in 1873, only stood at 77 millions in 1884. He

admits also that Protection has had its usual effect—viz. that of fostering unnatural production and causing a glut in the protected industries. He congratulates himself on having transferred from Great Britain to Canada the industry of sugar refining; but admits that Canada has a refinery too much. He congratulates himself on having ousted the foreign cotton manufactures, but admits that the protected Canadian industry has over-stocked its own market, whilst at the same time it cannot relieve itself by exportation. Does he look at this national policy as temporary? Quite the contrary. He contemplates a duty of 1.50 dollars on iron; he increased the duty on printed cotton goods last year. On woollen goods, on pickles, on cutlery, on mouldings, on picture frames, on imitation precious stones, on manilla hoods, on umbrellas, on china and earthenware, on hardware for furnishing, on chairs, on acetic acid, on tissue paper, on glucose, on carpets, on labels, on sheet-iron, on asbestos, on axle-grease, on cotton quilts, on extract of beef, on foreign tobacco, the Customs duties were, according to Sir L. Tilley, to be increased on the sole and simple ground that these articles can be made in Canada. Nothing is too big and nothing too little; his meshes catch everything. Even coal, the one essential for manufactures, and flour, the food of the people, are taxed for the sake of Nova Scotian coal-owners and of Canadian millers. Sir L. Tilley's successor, the Hon. A. W. McLelan, follows in his footsteps. In his Budget speech of March 30th, 1886, he adopts and extends Sir L. Tilley's policy. He congratulates the country on the decrease of its imports, and especially of manufactured goods; he treats every manufacture fostered by Protection as so much net increase to the industry and wage-earning power of Canada; he will make the Canadian farmer wealthy, not by extending his natural foreign market, but by excluding foreign corn from Canada on the one hand, and on the other by forcing Canadian manufacture, and thus creating an unnatural market for Canadian corn in Canada; he will enrich the Canadian agriculturist by raising the price of his tools and clothes; the Canadian manufacturer by depriving him of cheap food. Finally, he proposes to change *ad*

Tariffs in
Colonies.

Canada.

Tariffs in
Colonies.
Canada.

valorem into specific duties, and, apparently, in so doing, to increase them; and to sweep into his Protective net certain articles now manufactured in Canada—such as putty, and iron sand, and philosophical instruments—which had escaped the microscopic eye of Sir L. Tilley. In short, a Canadian has only to say that he is making something, and Sir L. Tilley and Mr. McLelan are ready to prevent their fellow-citizens from buying it of anyone else. I need hardly point out how many articles made in England are included in the above list, nor need I again refer to the fact mentioned by Sir R. Cartwright, that the imports of British goods into Canada, which were of the value of 68 millions of dollars (about £14,000,000) in 1873, were 42 millions (about £9,000,000) in 1884; or to the further fact that our own exports to the United States amount to about £36,000,000 a year. But I would ask my Fair Trade and Imperialist friends whether, looking to the matter from their favourite point of view of exports alone, they are ready to give up an export trade of nearly £40,000,000 in order to encourage one of less than a quarter of that sum? and also whether the policy openly avowed by the successful minister of Canada is such as to invite England to restrict her own production and consumption in order to encourage that of Canada? Surely if there is to be a *rapprochement* it should be from the Canadian side.

The *rapprochement* from the Canadian side has come in the preference to British goods already referred to, and, as also already mentioned, the effects of that preference have been disappointing in the extreme. Before it was granted the Canadian tariff was raised to such a pitch that even under the preference clauses local manufacturers were heavily protected against British goods, and so far there is no evidence whatever that Canadians are willing to reduce their duties so as to permit competition on anything like equal terms between British goods and their own. In return for the United Kingdom imposing a duty on foreign corn from which Colonial corn should be exempted, Canada and the other self-governing Colonies would certainly be willing to penalise foreign commodities entering their markets, but the vast proportion of these are goods in which Great Britain could in no circumstances compete—as, for instance, the great quantities of raw material taken by Canada from the United States—and even if the whole of the possible external trade of the Colonies

now done with foreigners were gained by Great Britain, it would be a mere trifle in no way compensating this country for the risk of quarrelling with foreign customers, even though preferential trade did not also involve raising prices to the British people in their own market. Sixteen per cent. is the Board of Trade's estimate of the average *ad valorem* equivalent of Canadian duties on the principal articles of British export.

Tariffs in
Colonies.
Canada.

Cape of Good Hope.

In 1859 the duties were $7\frac{1}{2}$ per cent. In 1879 they had been raised to 10 per cent. An additional 15 per cent. on the then existing duties was imposed in 1884. The duty on many articles has since been raised to 15 per cent. *ad valorem*, and other considerable increases made.

Cape.

In 1902 Cape Colony, Natal, Bechuanaland Protectorate, and Basutoland entered into the South African Customs Union, the Customs Union tariff being also in operation as regards articles imported for consumption into the Orange River Colony. In 1903, under the Draft South African Customs Convention, the same import duties were levied in the Transvaal and Southern Rhodesia as in the above-mentioned countries.

A feature of the common tariff is the preference of 25 per cent. to certain goods of British manufacture, a policy which was assented to by the Cape delegates only under the fear that a refusal would involve the products of their own Colony being subjected to duties in the rest of South Africa. Natal was in favour of the preference scheme, but it was carried for South Africa generally by the delegates from Crown Colonies who were not representatives of the people, and who forced upon Cape Colony the policy of discrimination against foreign countries, thus laying it open to retaliation, specially by Germany, which buys 70 per cent. of South African wool. This Customs Convention is the first example of the adoption of Protection in a British Crown Colony. The highest rate of duty now levied on goods of British origin is $7\frac{1}{2}$ per cent., several articles, among them locomotive and textile machinery, pig iron, nails, tin-plates, and steel bars being admitted free.

West Indies.

In Jamaica there are duties of $12\frac{1}{2}$ per cent., which have not been altered since 1859.

West
Indies.

In Barbadoes duties of 3 per cent. have been raised

Tariffs in Colonies.

to 8 per cent. In Trinidad import duties have been recently increased.

The duties in Jamaica have been raised to 16½ per cent., those of Barbadoes to 10 per cent. Most items in Trinidad are dutiable at 5 per cent.

Mauritius.

Mauritius.

Moderate duties exist, about 6½ per cent., which have been very slightly raised since 1859. No substantial change since 1881.

Some of the duties in Mauritius are specific; most articles of importation are now subject to duties of 10·4 per cent.

Ceylon.

Ceylon.

In Ceylon there are moderate duties, about 5 per cent., which have been raised to 6½ per cent. since 1881.

In Ceylon cotton yarns and cotton manufactures pay 4 per cent. duty, and most other articles 5½ per cent.

India.

India.

In India the duties are moderate and few, and, as is well known, have been recently lowered; and in 1882 the cotton duties were taken off altogether; but this has been done not by the people, or even by the Government of India, but by English influence.

Cotton yarn is still free; cotton manufactures dutiable at 3½ per cent. and 5 per cent.; other duties in the Indian tariff range from 1 per cent. to 5 per cent. *ad valorem*.

Conclusion that Protective tendencies are as strong in Colonies as in Foreign Countries.

From the figures given in this and the preceding chapter it is clear:—

First.—That with the important exception of the United States no foreign country has since 1859 raised its duties to a point as high as that at which they then stood.

Secondly.—That several European countries have, till recently, gone on continually reducing their duties, although the tendency at the present moment is to increase them.

Thirdly.—That there is no one of the self-governing English-speaking Colonies, except New South Wales, which has not increased its duties since 1859, and that some of them, and those the most important, have increased them largely.

New South Wales duties were increased in 1892, reduced below their former level in 1896, and merged in the tariff of the Commonwealth in 1901.

Fourthly.—That the tariffs of several of the Australian Colonies are as high as, and that of Canada higher than, the tariffs of France, Italy, Austria, or Germany, and much higher than the tariffs of Holland, Belgium, or Norway.

Consequently, the assertion of the Fair Traders, that whilst foreign nations are refusing our goods our Colonies are ready to take them duty free, or subject to moderate duties, is not only not correct but is the contrary of the fact. If tendencies are to be judged by experience, there is as great a tendency to Protection in our Colonies as in foreign countries.

CHAPTER IX.

IS A CUSTOMS UNION OF THE BRITISH EMPIRE POSSIBLE ?

I THINK that it has been satisfactorily proved that the special assumptions on which the Fair Trade League have based their demand for a differential treatment of the Colonies are unfounded.

The direct trade with our Colonies is about one quarter of our trade with the world.

The direct trade with our Colonies, and especially our export trade generally, has not, taking a long series of years, increased faster than our trade with foreign countries. At the present moment the direct trade with our Australian Colonies and with India is increasing, probably on account of our large investments in these countries. This is a

Assump-
tions of
Fair
Traders no
ground for
New
Colonial
Policy.

natural, and therefore healthy development of our relations with them.

Trade with the Colonies is now about 25·6 of the whole. In late years exports to them have increased somewhat faster than those to foreign countries; chiefly to India, already controlled in tariff matters by the United Kingdom; to Australia, which maintains the protection which Mr. Chamberlain insists kills our trade with the foreigner; and to South Africa, where it has been more than doubled by war expenditure and expenditure consequent on the war.

Even where our exports to our Colonies appear large, and those to foreign countries appear small, in comparison to our imports from them, there is good reason to believe that the exports to the Colonies depend upon, and are often caused by, the imports from foreign countries.

Our trade with our Colonies is subject to fluctuations no less than that from foreign countries.

The Colonies, or at any rate those with whom we must treat as independent and self-governing communities, show at least as great a tendency to Protection as foreign countries.

There is, therefore, nothing in the existing facts to call for a reversal of our settled policy of non-interference with trade; nothing to justify an attempt to check trade with foreign countries in order to divert it to our Colonies. On the contrary, the trade of the Mother Country with the Colonies, and her trade with foreign countries, are both progressing, and they are so mingled that any attempt to check foreign trade, whilst it would undoubtedly diminish the whole bulk of our trade, would very probably interfere with and diminish that very Colonial trade which it was intended to encourage.

But is it possible to do anything by legislation to encourage our trade with the Colonies? If so, by all means let it be done. The motto of the Cobden Club, "Free Trade amongst all Nations," is entirely consistent with the earliest and utmost possible development of Free Trade with our own fellow citizens. If there is to be choice amongst those with whom we are to do business, let us choose in the first instance to do it with those with whom in other ways we have the closest relations. Only let

But is a
New
Colonial
Policy
desirable
on other
grounds?

us be sure that we do not injure ourselves or them in so doing, and that in seeking for a closer relation than that which already exists, we do not strain the bonds which at present keep us together. The Free Trader will not yield to the Fair Trader or to the Imperialist in national pride, in jealousy for British greatness, and in all that constitutes the glory of the British name and character; nay, he would be willing, where greater interests are at stake, to sacrifice to them some portion of material prosperity; but when restrictions on commercial liberty are proposed in the interests of material prosperity, he requires to have it proved that they will really promote that prosperity; and when they are proposed in the interests of imperial relations with our Colonies, he desires to be assured that they will not strain and weaken those relations.

It would, indeed, be an object worthy of the ambition of any statesman or generation of statesmen to form a perfect Customs Union, embracing the whole British Empire. If it were possible to have no duties whatever in any part of that Empire on goods brought from any other part of it; if, for purposes of trade, India, Canada, Australia, the Cape, and the West Indies were as much one country as Yorkshire and Lancashire, it would be a consummation at least as welcome to the members of the Cobden Club as to the most devoted Imperialist. But such a consummation is a dream. It involves the same fiscal system in countries differing widely as the poles in climate, in government, in habits, and in political opinions. It is contrary to the very principles of self-government. It would prevent any change in taxation in one of the countries constituting the British Empire, unless the same change were made in all. Desirable as it is, it may be dismissed at once from practical discussion.

Customs
Union of
the British
Empire
a dream.

It has, indeed, been said that such a thing was at one time possible, and that it has been lost by want of statesmanship; that in giving our Colonies self-government we missed the opportunity of requiring them to adopt our tariff; and that what would now be impracticable as an Imperial interference with their liberties would then have been willingly adopted as a condition upon which those liberties might have been granted. Such an assertion

Self-go-
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involves
freedom,
and there-
fore diver-
sity of
taxation.

raises no practical question ; but it is, I believe, a complete mistake. Self-taxation is of the very essence of self-government. To have required such Colonies as Canada and Australia to adopt our system of external taxation, and to model their own internal taxation accordingly, and to continue to insist on that requirement, whatever their own change of opinion or condition might be, would have been to clog the grant of self-government with a condition which would have destroyed its value. Free Trade is of extreme importance, but Freedom is still more important ; and to force Free Trade on a free country is a breach of the fundamental principle which includes Free Trade.

Sir Wilfrid Laurier expressed the strong belief of Canada in this sentiment when he said at Montreal, in August, 1903, that he could not agree to the surrender of any portion of his country's legislative rights for any consideration whatever, even for the maintenance of the Empire.

There exists, no doubt, at the present moment a great and growing desire for union between the Colonies and the Mother Country, and there is good reason to believe that this desire is founded on and has its strength in feelings of mutual good-will. But these very feelings are a consequence of the relaxation of the legal bonds that formerly, whilst they appeared to bind the Empire together, really strained the connection almost to the breaking point. To the statesmen who effected this relaxation a debt of gratitude is owing, not always acknowledged by the advocates of Imperial Federation. To attempt to impose either on the United Kingdom or on the Colonies any such legal fetter as a common fixed and financial system would be to undo the work which has been so fruitful in good results, and again to place the different communities which compose the Empire in perpetual conflict. It is a confirmation of this view that the present promoters of schemes for Imperial Federation do not, amongst the many suggestions, wise and unwise, which they are putting forward, venture to include any serious proposal for an Imperial Customs Union. -

Less wise than their predecessors, present-day Imperialists of the bond-and-bargain school have pinned themselves to the sordid senti-

ment, "No preference ; no Empire." Yet with a loosening of legal fetters, Imperial sentiment and goodwill have attained a strength never previously known. The Colonies immediately become restive at the least suggestion that they should surrender one jot of their legislative independence. On no condition will they enter into a Zollverein. They do not found their attachment to the Empire on a commercial basis, but if commercial relations are suggested to them, no Imperial sentiment will prevent them from driving the hardest bargain that they can. In Australia, at least, the vast majority of the people have no sympathy whatever with the view that they can be coaxed and bribed into closer union with the Empire. No coaxing or bribing will induce them to take part in Imperial defence by heavy military or naval expenditure on troops or ships to be controlled by Great Britain, though they are ready to help the Old Country in time of need. When a proposal is made by the United Kingdom to provide an Australian squadron at a certain annual cost, the matter is discussed on a strictly business footing, and as a matter of business the offer which England thinks it worth while to make is accepted. At the same time, a large proportion of the electors and representatives, who jealously ask the utmost value for their money in British naval protection, would be ready to spend many times the sum they pay to England on a perhaps inferior fleet that, as Australians, they could regard as their own. This point, though not strictly concerned with the tariff question, seems, nevertheless, worth dwelling upon, as it is typical of the attitude of one great section of the British people in relations with the Mother Country. They demand absolute independence of action, though they feel entirely one in sentiment with Englishmen in England, but they desire no political or fiscal union, and they will not do business on sentimental grounds. The Australian squadron may be worth more to them than England asks, but they believe that England will not give it at a price that does not pay, and they regard it always as a mercenary organ of defence—it fails to appeal either to their national sentiment as Australians or their Imperial sentiment as Britishers. It is no link at all between the Old Country and the New, but rather a factor for division, since there is a certain amount of soreness on both sides—the British feeling that the Australians are paying too little of the naval bill, and the Australians feeling that if Great Britain offers to provide a squadron for their waters at a certain price, when the price is paid all obligations are fulfilled. Left to themselves they would provide ships for themselves, and in the consciousness of national ownership and national control would find satisfaction for the increased expense incurred.

In tariff matters also, if British goods were admitted to Australia at lower duties than foreign, it would not be because they were British,

but simply and solely because in the tariff changes of Great Britain Australians felt that they got a full business return. In no case is it likely that while Australia remained Protectionist it would reduce duties expressly designed to protect the local manufacturer against the manufacturer of Great Britain. She might offer a seeming and futile preference in raising duties still higher against foreign goods, effective protection being maintained against those of the Old Country ; and it is noticeable that even in the rather loud-voiced Imperialism of Mr. Seddon there has been nothing more definite towards preference than a promise to raise duties against the foreigner.

Mr. Chamberlain, in fact—acute observer though he be—utterly misunderstands the feeling of some of the Colonies for Great Britain. That of Australia is friendly, sympathetic, affectionate, ready to translate itself into help in time of trouble, but jealous of even the slightest encroachment upon independent action by the Commonwealth ; and among the Protectionists Imperial sentiment is none the less genuine because it is allied with keen trade jealousy. A friendship formed on other grounds is never strengthened by business ties, whereas an endeavour to found business upon sentiment has destroyed many a friendship. Therefore this attempt of Mr. Chamberlain to bind the Colonies and the Mother Country in a semi-sentimental semi-business union, where keen business on one side will be denounced as grasping anti-Imperialism on the other, is a real and serious danger to the existence of the Empire, which it is fondly hoped may be raised to unexampled heights on a sordid cash basis.

CHAPTER X.

PROPOSALS OF THE FAIR TRADERS FOR ENCOURAGING COLONIAL TRADE ARE PROPOSALS TO RESTRICT TRADE.

Fair Trade proposals for Differential Duties in favour of Colonies.

DISMISSING the notion of an Imperial Customs Union to the limbo of impracticable ideals, is it possible for anything to be done by the British Parliament to promote commercial intercourse with the Colonies ?

The course proposed by the Fair Traders is to place a differential tax on articles of food which come from foreign countries, and to admit food from the Colonies free ; to charge more on articles of luxury, such as tea

and coffee, tobacco, wine and spirits, coming from foreign countries than is charged on the same articles coming from the colonies; and to charge adequate import duties on the manufactures of foreign countries which do not admit our manufactures free of duty, whilst allowing Colonial manufactures to be admitted free of duty.

I presume this to be the meaning of the Fair Trade manifesto; but I must admit that the original document is hazy upon the question whether the duty on Colonial tea and other luxuries is to be remitted altogether, and also upon the question whether Colonial manufactures are to be admitted free unconditionally, or only on the condition that our manufactures are admitted free into the Colonies. Nor have subsequent publications cleared up these doubts.

Now, the first observation on these proposals is that they have for their object to divert trade by interrupting one of its natural channels, and therefore their effect must be to diminish the whole volume of trade. They are, consequently, open to the fatal objection which makes all Protection odious to Free Traders—viz., that they hinder people from buying and selling where they find it to their interest to buy and sell—that they limit production by preventing people from using their natural capacity to the utmost in making and selling the things which they can make better than others. They are restraints on trade and manufacture. And when it is alleged that there will be no ultimate loss, because with due encouragement the new market will be as productive as the old one, the answer is that the burden of proof lies with those who make such an improbable assertion. Take Canada as an instance, since Canada is the Colony to which the Fair Traders point as able to supply us with corn. Now, so far as Protective duties are concerned, Canada is, as I have shown, fast following the Protectionist example of the United States, though she has a good way to go before her tariff is so obstructive to her export trade as that of her great neighbour. Still, in spite of the advantage Canada thus reaps from her lower tariff, she now sends us only 3·8 per cent. of our imported wheat, whilst the United States send us 49·9 per cent. Of flour British

They are proposals to restrict and diminish Trade.

Fair Traders propose to diminish Trade.

North America sends us 4·5 per cent., whilst the United States send us 66·2 per cent. British North America in 1884 sent us 3·9 per cent. of our total food supply, whilst the United States sent us 26·9. Is it conceivable, with the known advantages of people, soil, and climate which the United States possess, that any restriction on free production which the most audacious of Fair Traders might advocate, would so far change the natural condition of things as to enable Canada to displace her gigantic rival, without diminution of the aggregate produce, and without loss to the British customer?

In 1902, of flour imported, the United States sent us 80·8 per cent., Canada 9·8 per cent. Of our wheat, 53·5 per cent. came from America and 11·8 per cent. from Canada; while of total food supply the proportions sent were Canada 6·9 per cent., America 28·0 per cent.

It is needless to follow this point any further. To shut out or obstruct our Foreign Trade must restrict production. Leaving this general objection, let us consider the proposals of the Fair Traders in detail.

CHAPTER XI.

PROPOSED TAX ON FOOD.

Differential
Tax on
Food the
keystone of
the Fair
Trade
proposals

OF all the proposals of the Fair Traders, by far the most important is that which contemplates a tax on foreign food.

This proposal has been scouted by the working classes, and is rejected by the Conservative leaders,* and it seems superfluous to discuss it. Nevertheless, it is perhaps more defensible than any other part of the scheme. It is the keystone of the edifice of Fair Trade. It is the only bribe which offers a real temptation to the Colonist: it is the only threat which has any terror for the United States.

* It has been recently emphatically repudiated by Lord Iddesleigh and by Lord Salisbury.

And if there is any interest in this country which demands protection from the legislature, it is that interest which is at once suffering from bad seasons and from low prices, and which is deprived by foreign competition of the compensation for bad seasons formerly found in high prices.

Tax on Food.

It is, therefore, difficult to discuss the scheme at all without discussing the proposal to place a differential tax on foreign articles of food.

The big loaf and the little loaf are good electioneering answers, but they do not exhaust or explain the question, and they do not convey the whole truth.

It may be interesting, in the first instance, to see where our supplies of food come from, and I annex tables* which have been prepared, showing the proportions in which the different countries of the world supply us with each of our principal articles of food, and a summary showing what proportion of the whole each country sends. The following are the general results:—

Where does our Food come from?

Foreign countries send us 114 millions' worth, or 80·7 per cent. of the whole; and our own possessions send us 27 millions' worth, or 19·3 per cent. The United States send us 26·9 per cent. France sends us 7·4 per cent., and Germany 9·3 per cent.; whilst British North America only sends 3·9 per cent., and Australia only 2·5 per cent.; Russia sends us 5·5 per cent.; India sends as much as 7·4 per cent.; China sends 4·6 per cent. But India, which is of all our own possessions by far the largest purveyor, is beyond our present purpose, since we already arrange her tariff as we think best. The above figures include so-called luxuries, such as tea, tobacco, coffee, wines, and spirits. But if we exclude these, and confine our attention to articles of food which are not stimulants, the result will be similar. Of wheat, British possessions send us 30·6 per cent., and of flour 5·8 per cent.; and foreign countries, 69·4 per cent. and 94·2 per cent. respectively. Of meat British possessions send 20·2, and foreign countries 79·8 per cent. Of animals for the butcher, British possessions send us 16·5, and foreign countries 83·5 per cent. France sends us 23·1 per cent., and Holland 39·8 per cent., of our aggregate importation of butter, whilst

Four-fifths from Foreign Countries and one-fifth from Colonies.

* See Tables XV. and XVI., in Appendix.

Where does
our Food
come from?

British North America only sends us 2·1 per cent. Of bacon and hams, the United States send us 69·5 per cent., and of cheese 49·6 per cent., whilst British North America—the only Colony which sends us any of these articles worth mentioning—sends 6·8 per cent. of bacon, and 30·0 per cent. of cheese. Eggs come to us in large quantities from Germany, France, and Belgium, but only in very small quantities from the Colonies. Potatoes come to us in great abundance from France, but none from British America or Australia. Rice, sugar, tea, and coffee are almost the only articles of first-rate importance of which large proportions come from our own Colonies; and these come not from Canada or Australia, with whom it is proposed to make tariff bargains, but from India, Ceylon, Mauritius, and the West Indies, in all of which there are at present moderate tariffs, and in which—India, perhaps, excepted—the power of consumption, and consequent market for our manufactures, is extremely limited.

In 1903 the taxing of food is still the head and front of the Protectionist proposals, but it can no longer be said that it is scouted by all the Conservative leaders. The 1902 figures as to food supply are as follows, again including tobacco, tea, coffee, wine and spirits: From foreign countries, £186·7 millions, or 79 per cent.; from British possessions, £49·6 millions, or 21 per cent.; from the United States, 28·0 per cent.; Germany, 6·0 per cent.; France, 6·2 per cent.; British North America, 6·9 per cent.; Australia, 1·3 per cent.; Russia, 5·9 per cent.; India, 4·4 per cent.; China, 0·2 per cent. The supply of wheat and flour comes: from British possessions, 28·3 per cent. and 9·9 per cent.; from foreign countries, 71·7 per cent. and 90·1 per cent. respectively. Of meat, British possessions send 23·4 per cent.; foreign countries, 76·6 per cent. Of animals for the butcher, British possessions send 21·7 per cent.; foreign countries, 78·3 per cent. Of our butter, France sends 10·9 per cent.; Holland, 9·6 per cent.; Denmark, 45·3 per cent.; British North America, 6·4 per cent.; Australia and New Zealand, 6·3 per cent. Of bacon and hams and cheese the United States sends 67·5 and 15 per cent. respectively; British North America, 0·9 and 67·2 per cent.

Looking, then, to the amount of food we get from foreigners, as compared with what we get from the Colonies,

it is clear that to legislate with the view of changing our source of supply from the one to the other is a task not to be undertaken lightly or without a clear view of the results. Let us see, therefore, what are the objections to it.

CHAPTER XII.

WHY IS A TAX ON FOOD OBJECTIONABLE ?

THE reason why it is not desirable to divert the purchase of food from the cheaper to the dearer market is not simply that it raises the price of food. It will probably do this, and the result would be most serious. According to Sir J. Caird's calculations, made in 1878, our whole consumption of agricultural produce was then worth about 370 millions; of which 260 were home produce and 110 foreign. The increase of population requires an addition of about 4 millions annually; and the proportion of foreign produce consumed has increased considerably since 1877. Assuming the consumption to be now 400 millions, and assuming that two-thirds of this is home produce and one-third foreign, the effect of a general rise in price of 10 per cent. would be that our population would have to pay 40 millions for their food more than they now pay. And supposing that this rise in price were caused by a tax on food produced in foreign countries, 26 millions out of this 40 would go to our own landed interest at home; and of the remaining 14 millions part would go to the Colonial food grower, and the remainder only into the public exchequer. This is by itself a startling conclusion. But it is far from being all the evil which would result from a compulsory change of market. An equally important, if not more important, result would be that it would prevent both the purchaser and seller from getting the most they can with the means which Providence has given them.

The buyer will have less to buy with, and the seller will have less to sell. If the English people are compelled to

Tax on Food will raise price of Food, but this is not all.

Effects of a Tax on Food.

It will raise rents.

It will also
diminish
Production
here and
abroad.

buy their food at home, they will spend on the production of food an amount of energy and capital which, if employed in making something else, would buy a much larger quantity of food from America; and they will compel the Americans to divert the capital and energy they now spend in producing food to making things which can be made much better and cheaper in England.

The result will be just the same if our Parliament compels English people to buy their food in Canada. If they are to be deterred by a differential tax from buying the cheapest food in the United States, and to be compelled to buy dearer food from Canada, the result will be not only that England will pay more for her food, but that the Canadian producer of her food, having to spend more labour and energy in producing it than the United States farmer now spends on it, will have less to spend on English manufactures than the United States farmer has.

Fair Trade
answers to
this.

To this the Fair Trader makes two answers. First, that the price of food would not be raised, because America has a surplus which she must export, tax or no tax; secondly, that a rise in the price of food in this country would be a cheap price for the additional market for English goods which would be acquired in the Colonies by buying our food there.

Inconsistency of
Fair Trade
arguments.

It is obvious that these answers are inconsistent with each other. If the price of corn is not raised in this country, and if America is still to supply our market at present prices, there will be no transfer of English purchases to the Colonial market, and the whole of the Fair Trade proposal will fail. It is only by giving a higher price that we can encourage a greater growth of Canadian corn. If the Fair Traders are consistent, and really wish to effect their object; if they wish to confine our custom to those nations which buy freely from us, they must absolutely prohibit all goods, food included, from those nations which do not do so. To say we are to stop their selling, and still to receive from them what we now get from them, is blowing hot and cold. But, in fact, the notion that the price of corn would not be raised by a tax is absurd. The United States farmers are not under any spell to produce a certain fixed quantity of corn. They may, in a given year, under the

A Tax on
Food will
raise its
price.

stimulus of exceptional demands, produce more corn than can be sold at a remunerative price, but they will not continue to do so. They produce corn because we want it, and will pay them a remunerative price for it. If we check that demand by a tax, they will reduce their supply. The Western farmer is able to send wheat to Liverpool and London, because after paying cost of cultivation and of transport, the price leaves him a profit. If we increase these costs by adding a tax, it will reduce his market, and in many cases destroy his profit. He consequently will no longer produce, and will leave his farm for something else, as we know too well that many emigrants have done. The result of any tax on American corn, which is to transfer our custom to the Canadian market, *must* be to raise the price of corn in this country. But, say the Fair Traders, "even if this is the case it is no great harm. Food is not a raw material of manufacture; to raise the price of food will not necessarily raise wages, for, as Cobden said, wages do not rise and fall with the price of food. Our manufacturers, whatever happens to our workmen, will be able to produce as cheaply as before; and they will be able to sell much more, because the Colony will, in return for the corn, receive their manufactures duty free; whereas the United States, by placing prohibitive duties on them, do their utmost to refuse them." "Even at the present time," so runs this precious argument, "every quarter of wheat imported from Australia affords us in return sixteen times as much trade and employment as a quarter of wheat imported from the United States, and every quarter of wheat imported from Canada thirty-five times as much as one imported from Russia."

Tax on
Food.

Cobden
quoted
as an
authority
for raising
price of
Food!

One really does not know where to begin in dealing with such an argument as this!

"Food is not a raw material of manufacture; for Cobden said that wages did not rise and fall with the price of food." It is difficult not to feel indignant at such a use of Cobden's name. What was it that Cobden really did say? The Protectionists had accused him of wishing to lower wages for the manufacturers' benefit. They said, "You are doing no good to the workmen by lowering the price of corn, for wages will be lowered as the

Tax on
Food.

price of corn falls, and that is your real object." To this Cobden replied, "You are utterly wrong: wrong in your imputations, wrong in your facts. Wages do not fall with the price of food; wages have been highest when corn has been lowest. Nor am I seeking, nor shall I get, low wages. Low wages do not mean cheap labour. Let us buy foreign corn untaxed. The price of food will probably fall, but the demand for our manufactures at home and abroad will certainly increase, and the workmen's wages and the manufacturers' profits will both rise." Cobden was right, as the workmen well know: and they will no doubt understand the difference between him and his misquoters. Cobden said, "Leave corn untaxed, let food fall, and let wages rise." The Fair Traders say, "Tax corn, let food rise, and let wages fall." And they quote Cobden as their authority!

Effect of
raising
price of
Food on
our
Workmen,
at home
and on
their Ex-
penditure.

But let us consider a little what the effect of raising the price of food to the workman himself really is, and let us omit for the present all consideration of the market for our manufactures caused by the purchase of food abroad. The workman's wages will go less far than they did, and the comforts of his life will be reduced; if the labour-market admits of an increase in wages, he will demand and get it, and the cost of production will be increased accordingly to the manufacturer; if it does not, the workman will be reduced to the alternative of either living in less comfort than he has done hitherto, or of emigrating. If he does the former, not only will he and his family suffer, but he will be obliged to spend more upon food and less upon clothing, and this in itself will reduce the market for manufactures. If he emigrates, so much productive labour is lost to the country. To the manufacturer, employer, and workman alike, any artificial increase in the price of food is *per se* an unmixed evil, even without considering its effect upon the foreign market for our manufactures. Much more is it an evil to them when it is remembered that the same measure which increases the price of their food also prevents them from getting the full return for their own expenditure of skill, capital, and labour.

All the inconsistent arguments dealt with above are used by present-day Protectionists, and others equally absurd are popular, as, for instance, that a tax on foreign corn will so encourage production at home and in the Colonies as to reduce prices below the present level—much to the delight, one imagines, of the “struggling farmers” of the Empire. Another of Mr. Chamberlain’s promises involves admission of a rise in the price of food subjected to duties, thus directly contradicting the argument above, and is to the effect that cost of living will not be raised, because duties will be taken off tea, coffee, tobacco, &c. These taxes all go to the public Treasury; a great part of the taxation on food products goes in the shape of higher prices to local and Colonial landowners exempted from the duties paid on foreign produce. Therefore, to keep the cost of living at its present level, it would be necessary for the Exchequer to surrender in tea, tobacco, and such revenue duties three or four times as much as it would gain from the protective duties on food. It is, of course, possible thus to keep taxation at its present level and give away a large proportion of the proceeds to private individuals instead of spending them on public needs; but the advantage of doing so is not obvious.

Tax on Food.

CHAPTER XIII.

FALLACY OF SUPPOSING THAT COLONIAL MARKETS WILL COMPENSATE US.

BUT then, say the Fair Traders, this evil is to be compensated, and more than compensated, by the additional market for our manufactures which will be opened to us in the Colonies. Now, in the first place, I have shown that the tendency of the Colonies is to close, and not to open, their markets, and that in Canada the duties recently imposed on our manufactures, though not yet equal to the enormous duties of the United States, are approaching them, and are higher than those of many foreign States. But let us assume that the Colonial duties on our goods are and continue much lower than the foreign duties, where is the new market to come from? Does the Fair Trader think that the United States farmer sends us a shipload of corn for nothing, and that if we get it instead from the

Dealings with Colonists are not more profitable than dealings with Foreigners.

Tax on
Food.

Colonial farmer we shall still give to the United States what we now give, and also give to the Colonial farmer, in exchange for his shipload of corn, many shiploads of manufactures which we now turn to some other beneficial use? If he does think this, does he think that the second transaction is much better for us than the first? And if he does not think this absurdity, what can be the meaning of the astonishing statement I have quoted above from the Fair Trade League circular? He apparently takes from the statistics of trade the quantity of corn imported from Australia and the United States, and the quantity of our manufactures exported to those countries respectively, and, finding that for every quarter of Australian wheat imported we export to Australia sixteen times as much of our manufactures as we export to the United States for every quarter of United States wheat, comes to the conclusion that for each quarter of Australian wheat we pay sixteen times as much of our cotton and cloth as for an equal quantity of United States wheat, and that the transaction is consequently sixteen times as profitable, not to Australia which receives, but to England which pays, this wonderful price! These are the new prophets who are to subvert the doctrines of Cobden and Peel! The fact, of course, is that for every quarter we import, whether from Australia, from Canada, from Russia, or from the United States, we pay the market value—no less and no more. Whether it is paid for by the export of an equal value of English manufactures to the United States, or by the export of English manufactures to India, or to some foreign country, and by a further export from that country to the United States, or even by some route more circuitous still, or by the remittance of bullion, or by a cancellation of interest upon debt, it must be paid for by this country, and the price paid for it will be the value of a quarter of wheat in the English market. The United States farmer does not give us his wheat for nothing; he takes from us whatever the competition of the English farmer, the Canadian farmer, and the Russian farmer allows him to take. The Canadian farmer does precisely the same. If they compete on equal terms they obtain equal prices, and set going an equal quantity of English labour to provide a return. If the

The price paid in goods for a quarter of corn sold in England is the price in the English market, and it is the same wherever the corn comes from.

United States farmer is able to produce wheat more cheaply and abundantly than the Canadian farmer, he can give us a larger quantity in return for the same quantity of our labour ; in other words, both his labour and our labour go farther ; there is more production, and both benefit. If under these circumstances we forcibly transfer the business from the United States farmer to the Canadian farmer, we do not thereby get a new purchaser for our goods, we only substitute a worse for a better purchaser—a worse for a better supply.

Tax on Food.

But then, it is said, Canada, Protectionist as her tariff is, is less Protectionist than the United States, and does less to keep our goods out of the market. If this is the case, she and we both get the benefit of it now. The Canadian farmer is so much the better off, and so is our manufacturer. All the good we can get by the lower tariff of Canada we are now getting. We shall not increase that benefit one jot by adding to the obstruction now caused by the United States tariff a new obstruction of our own. The United States tariff is doing serious injury both to the English manufacturer and consumer of corn, and to the American farmer and consumer of English goods ; to the former probably less harm than to the latter, because the Englishman has the rest of the world to go to, whilst the American cannot escape from his own tariff. But the injury thus caused will not be diminished, but aggravated, by interposing another obstruction of our own.

In short, if, under the existing Protectionist American tariff, the American farmer can compete with all the world in the English market, it is because what England has to pay him with goes farther in the American market and produces a greater return than it does elsewhere. To transfer the custom forcibly to the Canadian market is to make what England has to pay with worth less than it now is.

I sometimes think that there is a fatal confusion in the minds of Fair Traders and Protectionists between a commercial treaty, or arrangement between nations, and the individual dealings of commerce. The Commercial Treaty assumes the mischievous and delusive form of a bargain, in which we, as a Free-trading nation, appear to give much

Confusion between individual commercial dealings and international.

Treaties or
arrange-
ments.

and receive little. Hence people are misled into a hazy conclusion that the individual bargains made under such a treaty, or under what is called a one-sided Free Trade, are in themselves one-sided and unfair, and that in the dealings between the merchants of a Free-trading nation like ourselves and those of a Protectionist or semi-Protectionist nation like the United States or France, the Protectionist tariff causes our merchants to have the worst of the bargain. But this is pure delusion, and confusion of thought. The American farmer is not enabled to drive a better bargain with the English manufacturer by reason of the Protectionist tariff; on the contrary, of the two he is the one more hampered by it. The relaxation of that tariff would be an immense boon to the Englishman, but it would be a still greater boon to the American. The evil of Protection is not that it benefits one party to a trade bargain at the expense of the other, but that it injures both, and prevents trade bargains from being made.

CHAPTER XIV.

EFFECTS OF AN ENGLISH TAX ON AMERICAN CORN ON AMERICAN COMPETITION WITH ENGLISH MANUFACTURES.

Tax on
American
Agriculture
would drive
America
into Manu-
facturing
competi-
tion.

BUT let us follow the consequences of a tax on American food a little farther. America has an abundant supply of the most energetic and versatile labour in the world, and also an abundant supply of capital. At present this labour and capital are largely employed in providing Europe, and England especially, with food, because that is the most profitable way in which American labour and capital can be employed. But we are asked to make this employment less profitable for her, and to deprive her of her present market for her enormous agricultural produce. What would be the natural result of such a step? Why, to divert her energy and capital from providing the food we want to buy from her, and to drive it into providing the manufactures

which we want to sell to her. At present, in spite of, possibly in consequence of, her system of Protection, the sale of her highly forced and highly priced manufactures is in a great measure confined, or nearly confined, to her own subjects, and she is no rival to England in our own markets, or in the markets of the world; whilst even in her own markets our manufacturers compete with hers. In 1880 we exported to her $24\frac{1}{2}$ millions of manufactures, and imported from her $2\frac{1}{2}$ millions. Out of her total exports about 10 per cent. are manufactures, and 90 per cent. food and raw materials, chiefly agricultural produce.* But if we deprive her of her market for agricultural produce, we shall drive her into manufacture, and there is no saying how formidable a rival she may become.

Though in 1902 food and raw materials still constituted £108,000,000 of £126,000,000 imports from the United States, American exports of manufactures have lately greatly increased, partly owing to natural development, partly owing to the high tariff which enables American manufacturers to charge exorbitant prices at home, and sell cheap at the expense of their own people abroad. But even the great Trusts cannot continuously screw enough out of Americans to persist in selling their goods below cost to foreigners in the expectation of killing competition and building up a trade, as it is hoped by them and feared by British alarmists that they will do. Imports of unwrought steel from America have greatly declined, and the common stock of the great Steel Trust, with a capital of £300,000,000, is quoted at 80 per cent. discount. American goods, which need protection in their own market against British goods, cannot possibly continue to undersell those goods in the British market. If they could be produced cheaper they would not require protection in their own market, and if without protection they can be honestly produced cheaper than British goods, why rail against a tariff which does not affect the matter? From a Protectionist point of view, in fact, the logical policy would be to impose duties, not against those articles on which foreigners by protecting them admit that they fear our competition, but against those which foreign countries can produce cheaper than ourselves, and with which, accordingly, they might "flood our markets."

At the time of the repeal of the Navigation Laws, all the best judges thought that the carrying trade of the world must pass into the hands of the Americans. It has passed

* The proportion of manufactured articles has slightly increased since 1880.

into our own, as is shown fully below (Chapter XLVI.). There are probably several causes for this ; but the most important to my mind is that America has found in her internal development, and especially in her farming, and in the railways which farming creates and sustains, an industry more profitable to herself and to the world than the ocean carrying trade. To us the ocean carrying trade has been the more profitable employment. She has done the farming, and we have done the ocean carrying, to the great advantage of both. If we cripple her farming, there is no saying that she may not take from us our ocean carrying.

CHAPTER XV.

OBJECTION THAT WE ARE PAYING FOR AMERICAN CORN BY RECEIVING BACK PRINCIPAL OF INVESTMENTS.

If America
owes us
money she
must repay,
or pay
interest,
whether we
buy her
corn or not.

"BUT," say the Fair Traders, "granting that America must be paid in some way for the food she sends us, she is paid, not in goods, but by setting against it the loans we have made her. In this way she is not only paying interest upon them, but is repaying to us our capital, upon which consequently we are living." The latter assumption—viz. that America is sending back capital to us—is utterly without proof, and is probably false.* The statement that she sends us food in payment of interest on what we have lent her is to a great extent true. But I am not concerned at present with the truth or falsehood of these statements ; I only mention them for the purpose of showing that they are *nihil ad rem*. If America owes us money, which, or the interest on which, she is now repaying in corn, she will equally owe us this money if we transfer our custom for corn to Canada, and if she does not repay us in corn, she must repay us in something else. That something else will be something which, *ex hypothesi*, we want less than corn ;

* See below, Chapter XXIII.

it may, as I have pointed out, be manufactures or freight, which will compete with our own.

And here I have to notice a so-called argument, which I was at first disposed to pass over as too absurd to be refuted, but which has been so often repeated that it calls for a passing notice. It has been stated in the following terms :—" But even if it could be proved, as it certainly cannot, that all this enormous disproportion of imports has been paid for out of our income, and without any diminution of our investments, that would still do nothing to reassure our working classes as regards the interests of labour. They are concerned in the acquisition of imports of food in exchange for the production of their industry, rather than in payment of income due to us, from our foreign investments. For, suppose such investments to be increased fivefold ; suppose England to contain multitudes of well-to-do people who owned them, and lived upon the income paid to them, let us say in the shape of food from America, and clothing, furniture, and luxuries from France ; is it not evident that the balance of trade might be satisfactorily accounted for by financiers, while our agriculture and manufactures are alike languishing, and every year affording less employment, and at lower wages, to fewer workmen ? English land might be forced out of cultivation by American competition, or turned from arable to grass to such an extent as to more than half depopulate our rural districts and country towns, and drive the people into the larger cities and manufacturing districts, or to emigration. The demand for manufactures in the agricultural districts would thus be seriously reduced, whilst the free import of French manufactures and luxuries—preferred by the ever-increasing class who lived on foreign incomes—would curtail the employment of our artisans, whose wages would be still further reduced by the competition of the displaced agricultural labourers.

Absurdity of supposing that interest on Foreign Investments only supplies luxuries to the rich.

" In one word, our imports would be acquired more and more in payment of interest or rents due from abroad to owners of foreign investments living in this country, and less and less in exchange for the handiwork of our industrial classes, and so the former would increase whilst the latter would be driven first to lower wages and diminished com-

forts, then to destitution, and finally to emigration without resources and under the most painful conditions."

Interest on
Foreign In-
vestments
comes
home as
Food and
Raw
Material.

I find it really difficult to understand this. What is it that we are importing as interest on our investments, especially from America? Food and raw materials constitute nine-tenths of our imports. How do the Fair Traders suppose that these are consumed? How much of them do they think the wealthy and the idle put into their own stomachs or on their own backs? And of the manufactures imported, how many are used by the working classes? Let anyone cast his eye down the list of British imports, and he will see that there is not one of the articles mentioned in the list which is not either an article to be used in our own industries, or an article to be used by those employed in our industries. Silk, woollen, and cotton manufactures, gloves, dressed skins, and wine are almost the only articles in our list of imports which are not simple articles of food or materials of manufacture. Assuming, which is a preposterous assumption, that the whole of these are articles of luxury, neither used by nor giving employment to the working class, how much do they amount to? To about 25 millions out of 410 millions of imports. The question thus raised by the Fair Traders is not, it must be remembered, a question of whether these imports are spent on reproductive employment, but a question of whether they are used by workers or by idlers. If the Fair Traders are right, they are used by idlers; and our workers are to be driven to destitution and emigration by the loss of wages and employment. Now, even if employed in unproductive labour, they will not be employed in support of idleness. But can it be doubted that the great bulk of these enormous imports is employed in supporting reproductive labour? Every pound of raw material, every article which requires further labour to complete it, is imported for the purpose of employing labour upon it. The food, the clothing, the common luxuries, tea, coffee, tobacco, sugar, are consumed in supporting and making tolerable the lives of millions of artisans in our factories, of labourers in our fields, of workmen who are erecting, extending, and improving our railways, our docks, our mines, our ships, our dwellings, our shops, our schools, our

churches, our towns. They are employed in extending our reproductive powers, and in making life comparatively healthy and pleasant, not for the wealthy few, but for the toiling many. The contrast between wealth and poverty is sad enough, and the excesses of luxury are lamentable. But the proportion of our national income or of our imports which is consumed in luxuries is a mere trifle compared with that which goes to support useful labour. The fear that the payments which foreign countries are now making us as a reward for former labour will make us poorer and render future labour unproductive, is the wildest of many wild chimeras.

The very contrary is notoriously the case. The recent depression in business has been markedly distinguished from earlier commercial depressions by the fact that it has affected profits far more, and more quickly, than it has affected employment, wages, or the well-being of the working classes. Millowners, coalowners, ironmasters, landowners, and farmers have suffered more or less severely. But the mill-hand, the miner, the workman, the labourer, until a very recent period, suffered, and are even now suffering, comparatively little, as is shown by a comparison of the state of the country with its state at former periods of depression, and by the infallible tests of pauperism and of consumption. Capital has borne the brunt of the blow. By the simple expedient of leaving things alone, and repealing the wicked and pernicious laws which made scarce the food of man and curtailed the rights of labour, we have advanced one step towards the millennium of the economist, the politician, and the Christian philanthropist—viz. the more equal distribution of good things. The workmen are better off than they were, and, as the action of their Trades Unions, and the speeches and votes of their representatives in Parliament show, they know the reason why.

The recent depression has hit the rich and spared the poor.

But even if investments abroad were the evil the Fair Traders imagine them to be, the transfer of our custom from foreign countries to the Colonies would do little to remove it. For we are now *wasting* (as the Fair Traders would say) our surplus earnings largely in the Colonies; we are lending to Australia and Canada as we have in former years

Transfer of Trade to Colonies will not prevent Investments abroad.

lent to the United States. Our investments in Canada and the Australian Colonies are said to amount to between 300 and 400 millions ; and our investments in Australia are said to be increasing at the rate of more than 10 millions a year, a fact which accounts for the increase of exports to those Colonies. Our loans to the Colonies in 1884 are said to have amounted to over 30 millions,* and to 31 millions in 1885. But the time must soon come when those Colonies will be doing as much to ruin us by paying us interest in the shape of imports as, in the opinion of the Fair Traders, the United States are now doing, and then what is to become of us ? If such a conclusion drives the Fair Traders to despair, it is some consolation to think that it will carry comfort to the heart of another great Imperialist, Sir Julius Vogel, who also would like to see us exercise a large control over the Colonies, but who wishes us to do so in order, *inter alia*, to encourage those investments of English capital in them which are the terror of the Fair Traders.

Later figures as to investments in the Colonies give £387,000,000 for Australia alone. As to the fear of imports diminishing wages, the facts show that, while the excess of imports has greatly increased since 1884, wages have since that time reached their highest point in our history, and are now much higher than they were at any time in the eighties.

The precise effect of foreign investments on our own industries I have dealt with more fully below (see Chapter XXIV.).

CHAPTER XVI.

TARIFF BARGAINS WITH THE COLONIES. ARE THEY POSSIBLE ?

To do so we must first impose duties on ourselves, which is out of the question.

We have hitherto considered the effect of a differential tax on foreign articles of food pure and simple, and without reference to any reciprocal benefit to be derived from action to be taken by the Colonies. But it is possible, for the language of the Fair Traders is very vague, that they intend

* *Standard*, 30th December, 1884.

Colonial articles of food to be admitted free only from those Colonies and possessions which admit our manufactures free, and that they propose to make the differential duty a means for driving a tariff bargain with the Colonies. If so, an important question of principle arises—viz. whether it can be worth our while at any time, or under any circumstances, to impose a duty on imports, which will do us an immediate injury, in order that we may have a weapon wherewith to fight foreign countries or British Colonies in making tariff bargains. This question is raised explicitly by the further proposal of the Fair Traders to tax foreign manufactures, and I propose to consider it when dealing with that proposal in the Second Part of this work. If it is to be answered in the negative, as I am sure that it is, the proposal to drive a tariff bargain with the Colonies by the bribe of a differential duty on their competitors must fail at once. But I do not intend to argue this large question here, and will assume that it may be answered in the affirmative. Making this assumption, let us think what sort of bargains we can possibly drive with the Colonies, and let us consider, first, what we must give them and what we can get from them; and then, secondly, what they must give to us and what they can get from us by such a bargain.

First of all, then, as our foreign food supply is to be transferred to the Colonies, and as they now only supply us with one-sixth of it, we must cut off five-sixths of our present sources of supply, and trust to their being made up by countries which now only furnish one-sixth of it. What the effect of this may be on the quantity and price of food and the welfare of the people it is frightful to consider.

But if we did, what should we have to give?

The Colonies now supply £49·6 millions of our food supply. We buy £186·7 millions' worth from foreign countries.

Secondly, we shall lose the whole of the custom for our own produce arising out of purchases of food in foreign countries, and, as they amount to more than 140 millions a year, this is a scarcely less serious consideration.

Thirdly, we shall cripple our powers of production by making food dear, and be less able to compete for custom in neutral markets.

Fourthly, we shall run a very serious risk of retaliation

by foreign countries. If we say to France, or to America, "We will not buy corn, or meat, or butter, or cheese, or eggs from you," they will retort by refusing to buy cotton, wool, silk, and iron from us; not only shall we ourselves cut off a very large proportion of our foreign exports, but we shall tempt foreign nations to cut off the remainder.

Taking the average of the last nineteen years, our trade with foreign countries has been about three-fourths of our whole trade, and our trade with British Colonies and possessions has been about one-fourth of it. Our whole trade, imports and exports included, is 700 millions a year. We are, therefore, asked to cripple and endanger three-fourths of this, or a trade of more than 500 millions a year.

Our trade for 1902 was £877·6 millions, £653·3 millions of it with foreign countries.

It is conceivable that America might retaliate, and inflict irrevocable disaster on us by imposing an export duty on raw cotton going to this country, and throwing our cotton manufacturing trade into the hands of Germany and Belgium. That, however, would require an alteration of the Constitution. Retaliation in the shape of differential railway rates on Canadian corn, perhaps a refusal to allow its export through American ports when Canadian ports are ice-bound, would be comparatively simple.

What
should
we get?

What are we to get in exchange?

First, we shall get so much custom for our goods in the Colonies as arises from the additional purchases of food we make in the Colonies. But, as the Colonial supply of food will be much less than that which we now get from foreign countries, and as its price will be much higher, this market must be much less valuable than that which we give up. So far, therefore, we are large and pure losers. But we shall get, in addition, whatever advantage is to be gained by the reduction our Colonies may make in their tariffs in return for what we do for them.

What will this amount to?

Now, in the first place we may eliminate India. The Indian tariff we practically make ourselves. We have determined, rightly or wrongly, that she shall not levy duties on our manufactures. Her consent is not asked;

we need no bargain for the purpose. We may, for similar reasons, eliminate all the Crown Colonies. In short, the only Colonies with which we can make bargains are the self-governing Colonies in British North America, in Australasia, South Africa, and some of those in the West Indies. But of these there are many which now levy very small duties on our manufactures, and those by way of Revenue rather than of Protective duties. With regard to these, all that we can expect to get by way of a bargain is that their duties shall not be raised, and this is a prospective and contingent, not a present and certain, benefit. In fact, the only Colonies in which any large reduction of duties is possible are Canada, Victoria, Western and South Australia, Queensland, Tasmania, and New Zealand. New South Wales, one of the most important of the Australian group, is free, or nearly so, already. But let us take the whole of our Colonies in British North America, in Australia, and in South Africa, and suppose that throughout them all it were possible to get a reduction of duties, what would this advantage amount to? The trade of the United Kingdom with the whole of these Colonies, taking, as before, an average of nineteen years, is about 10 per cent. of our whole external trade; not much more than our trade with Germany; not so much as our trade with France; little more than half as much as our trade with the United States; about one-eighth of our whole trade with foreign countries. If we take those Colonies alone which now levy considerable duties, the trade with them will not be more than one-half this amount. Consequently, it is only about 5 per cent. of our whole trade for which we can expect any substantial benefit by a tariff bargain with our Colonies, whilst the trade which we shall injure and cripple by such a bargain is 75 per cent. of that trade.

Tariff bargains with Colonies. What should we get?

New South Wales is now embraced in the Protectionist Commonwealth. The figures have changed a little, but not in such a manner as to affect the argument, and the Canadian experiment has demonstrated the small effect of preferential tariffs.

I think we may, then, draw two conclusions: that it is not worth our while to make any such bargains; and, secondly, that if we were to make any such bargains, it

Tariff bargains with Colonies.

would be madness to adhere to them, if foreign countries were to offer to reduce their tariffs on condition of our repealing the differential dues on their produce which such a bargain implies.

Recent proposals of Imperialist Reformers.

This is not, however, the view of some of our Colonial reformers. For instance, a writer, signing himself "Imperialist," in the April number of the *National Review* for 1885, urges that a leading feature of the Conservative policy of the future should be "to tax foreign imports, while granting free admission to Colonial products of all kinds"; and a similar proposal is advocated by Mr. Thomas Gibson Bowles in the May number of the *Fortnightly Review*. Mr. Stephen Bourne, the well-known statistician of the Customs, in his address at Montreal, goes much further, for, after showing how Canada declines the business of the Mother Country, he proposes that we shall deprive ourselves altogether of trade with Protectionist countries in order to encourage Colonies which discourage us, and that Canada shall in like manner deprive herself of trade with her nearest neighbour!

The writer of the article "England and her Colonies," in the April number of the *Quarterly* for 1885, is more alive to the difficulties of this question; but even he, after dismissing as impracticable Mr. Forster's notion of an "Imperial Zollverein on the basis of this abolition of all customs or excise except upon intoxicating liquors or tobacco," because the Colonies would not agree to it, suggests that Lord George Bentinck's plan of "taxing foreign produce while admitting Colonial wool and other materials duty free," is the only basis on which we can build any reasonable expectation of constructing an Imperial Zollverein.

Their absurdity.

In the last century we alienated our Colonies from the Mother Country by taxing them. In this century our Colonial reformers wish to alienate the Mother Country by making her tax herself. They seek to bind our Colonies to us by leaving them free to tax our products, whilst we are not only to abstain from taxing theirs, but are to burden ourselves with the worst of taxes in order to give them an exclusive monopoly of our markets. Surely, if there is a policy which could make the Mother Country hate her Colonies, it is this!

Now let us look at such a bargain as I have described above from the Colonial point of view. What would they gain and what would they lose? I think we must admit that if England gave them the monopoly of her market for food they would gain considerably. Canada, Australia, and India would send us much more corn if United States and Russian corn were excluded from our ports. India would send us more tea if China were out of the market, and the Cape and Australia would send us more second-class wine if we could not get good wine from France or Spain. Even this would not be an unqualified advantage to them. The production of the world would be diminished, and they would bear some share of the loss; their people would be diverted from doing what they can do best, to the providing of those things which the English market demands, and India certainly would lose some of the trade which, as we have seen, she now does directly or indirectly with the United States. But it is idle to talk of such proposals as these. England certainly will not contract her sources of supply to such an extent. Nor will she make a sacrifice at all where she gets nothing in return. She can only get a return from those Colonies which now impose restrictions on the import of English goods. We may therefore, as before, eliminate India and other Colonies or possessions which are governed from home. The only Colonies which can make a bargain are the self-governing Colonies, and amongst them those only which now levy duties on English goods. That they might gain something immediately by the bargain, I have admitted. What will they have to give up? First of all, there are those Colonies which only levy a small duty, say 5 to 10 per cent., with the *bonâ fide* object of raising revenue, and without any thought of Protection. To these Colonies, with but little realised property, and with an organisation very different from that of an old country, it would probably be a very serious financial difficulty to raise a revenue in any other way—a difficulty which might in itself counterbalance any gain they might derive from our differential tariff. Those Colonies, again, such as Canada and Victoria, which levy heavier duties, and which levy them avowedly for purposes of Protection, would have to make a serious surrender.

What
would the
Colonies
get?

What
would they
give?

Tariff bargains with Colonies.

They would, in the opinion of Free Traders, be really benefiting themselves by reducing their tariff in our favour ; but in their own opinion, and in the opinion of the Fair Traders, they would be doing themselves harm. They might be tempted to do it, but in doing it they would feel they had made a concession to us, and we should be obliged to accept it as a concession.

It is hard to see what concessions the United Kingdom could give Australian protectionists in return for admission of British goods at rates allowing competition with their own. The manufacturers know that Protection raises prices ; Protectionist working men believe it raises wages, and why should the politically strongest section of the people abandon the policy they believe essential to prosperity in order to let farmers and wool growers reap higher prices ? The question is emphasised by the fact that they, the manufacturers and the workmen, must pay these higher prices. The price of wheat in Australia after an ordinary harvest is fixed by the price in London ; it is, in fact, the London price less carriage. Thus a rise in cost of food to the British consumer involves also a rise in price to the Protectionist working man of Australia. He believes, and Mr. Chamberlain tells him, that Protection raises wages, and therefore the great champion of preferential tariffs should not expect the Australian working man to fall upon his neck when he asks the working man to reduce Australian protective duties and lower his wages in return for the imposition of English protective duties, which will raise the prices he has to pay. There is not the slightest doubt that for years to come a duty which makes bread dearer in London will make it dearer in Melbourne also.

What would be the position of the Colonies when the bargain is made ?

But suppose the concession made and the bargain completed. Suppose that we have excluded the United States corn from our market, and that Canada has admitted English goods freely to her market, what will be the condition of things ? The United States may leave things alone. In that case, as I have shown above, England will find herself suffering from insufficient supplies, from a contracted market for her goods, and from the new competition in manufactures which she will have forced upon the United States. She will be discontented and disgusted with her bargain, and with the other party to it. Or the United States may retaliate by prohibiting English goods. In that case England will be still more discontented and disgusted. Or the United States may do that which it must

be the desire and object of every honest Fair Trader and Reciprocitarian to make them do—they may offer to throw open their market to English goods on condition that England will again throw open her market to United States corn. In that case England will be more than ever disgusted if her bargain with Canada prevents her from accepting their offer. Indeed, it is scarcely within the limits of possibility that such a bargain could under such circumstances be kept. That England, which now does a trade of 140 millions a year with the United States, even under the present Protectionist tariff, and of 21 millions with Canada, should refuse the proffered trade of a country which has between 50 and 60 millions of people and the finest soils and climates in the world, for the purpose of nursing a trade with a country which has between four and five millions of people and a far inferior soil and climate is too much to expect of human nature. And if the bargain is not kept, or if the terms of the bargain with Canada are such as to allow England to accept the United States' offer, what will be the position of Canada when she is thrown over and the United States are again admitted to free competition in the English market? She will have been misled into an unnatural course of industry and expenditure, and she will be left to her own resources when it suits the convenience of England so to leave her. The Fair Traders have some hazy inkling of this difficulty, for they propose that the fixed duties on foreign food are to be steadily maintained for a term long enough to develop our own instead of foreign territories. But do they really think that this is possible; that our own people would submit to years of privation in order to develop a possible future in Canada or Australia when that privation might be at once changed into plenty by admitting foreign produce? Are any such arrangements as these likely to stand? Putting aside mere commercial interests, are they desirable in the true interests of Imperial union? Are they likely in the end to promote that good feeling between England and Canada which it is the professed object of all of us to encourage? Are they not much more likely to cause estrangement, recalcitration, and disruption? To such questions there can be but one answer. We may

Tariff bargains with Colonies. Ultimate results.

Tariff bargains with Colonies.

be quite certain that any forced attempt at unnatural union, any unbusiness-like sacrifice of interest to sentiment, will only destroy those feelings of kindness which it is the object of all to promote.

Any forced attempt at Union must lead to Disunion.

I have taken the case of Canada as the most striking illustration of the fatal difficulties which would attend any such tariff bargain as we have been considering. Similar arguments apply to the other self-governing Colonies, and it is unnecessary to repeat them. It seems to me abundantly clear that no tariff bargain with any Colony which has for its condition a differential tax on foreign produce imported into England is for a moment to be thought of.

CHAPTER XVII.

COMMERCIAL TREATIES WITH THE COLONIES. ARE THEY POSSIBLE ?

Can we make Commercial Treaties with Colonies, such as the French Treaty ?

A CUSTOMS union of the Empire is then impracticable. An attempt at a closer connection with the Colonies, to be effected by imposing differential taxes on foreign produce, is not to the real interest either of England or, in the end, of the Colonies, and it is much more likely to lead to separation than to union. There is yet a third method of improving commercial relations with the Colonies, which is scarcely suggested in the Fair Trade programme, but which may deserve a few moments' consideration. It is that of a commercial treaty such as we have made with France and other foreign nations ; a treaty in which we impose no differential duties, but only reduce our own duties, and reduce them for all equally.

Narrow limits within which such Treaties would be applicable.

Here, again, we may at once dismiss from consideration all the Colonies or possessions which are practically governed from home ; and these, including India, will, so far as trade is concerned, be found to amount to one-half of the whole.

Our whole trade with our Colonies is, as I have shown above, about one-fourth of our whole trade, and it is therefore only one-eighth of our whole trade that can possibly be affected by such a treaty. Practically it is much less ; because we do not want commercial treaties, or, indeed, alterations of any kind, except with those Colonies which levy sensible duties on our goods. The whole affair is, therefore, of less moment to us than it might at first appear.

Now, with respect to the self-governing Colonies, we have, in giving them self-government, left them free to impose what duties they please, with one restriction—viz. that they shall not make their duties differential ; that they shall, if they place Customs duties on the produce of one country, place the same duties on the produce of all. But even this restriction has been surrendered on two special occasions. Canada, or rather the British Colonies in North America, were in 1854 allowed to make a Reciprocity treaty with the United States,* by which a large number of articles, the produce of Canada and of the United States respectively, were admitted duty free into each of those countries, although the same goods remained subject to duty when imported into those Colonies from the United Kingdom, or from foreign countries other than the United States. The denunciation of this treaty by the United States was one of the causes that led to the present Protectionist tariff in Canada ; and the resumption by the United States of the policy which dictated that treaty would, no doubt, lead to the resumption of a similar policy by Canada. Another case, rather less striking, because it was between different Colonies and not between a Colony and a foreign nation, was that of an arrangement between New South Wales and Victoria concerning the Customs duties levied on the boundary between the two Colonies in the basin of the river Murray. In these cases, the principle of equal treatment gave way to the still more important principle of self-government, and to the demands for freedom caused by local contiguity. And, no doubt, a similar course must and will be followed when similar cases occur again, as they are sure to do. Even at this moment, proposals having this tendency are being

Com-
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Treaties
with
Colonies.

No reason
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* Treaty ratified 9th September, 1854.

Com-
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with
Colonies.

discussed in Australia, and in the case of the British West Indies. It may be all very well to say, as a matter of theory, that when nations are divided by great natural barriers, such as hundreds of leagues of sea or mountain, there is all the more reason for abolishing artificial barriers. But this is not the way in which the facts present themselves to the ordinary mind. I feel the need of dealing freely with my neighbour across the street long before I understand that the same need exists for freedom in my dealings with an alien in China. It was by the obvious absurdity of an artificial barrier between Surrey and Middlesex that Cobden brought home to men's minds the much less obvious absurdity of an artificial barrier between England and France. If, therefore, any strong case arises again, such as an approach to commercial union between Canada and the United States, or between any of the Australian Colonies and their neighbours, we may take it for granted that the one principle of equal treatment, which we have hitherto maintained, will give way, and that in this, as in other matters of taxation, the Colonies will exercise and enjoy complete self-government.

In short, the Colonies in question are, so far as tariffs are concerned, in as free and independent a position as foreign nations; and if we are to make commercial treaties with foreign nations, there seems to be no *prima facie* reason why we should not make similar commercial treaties with our self-governing Colonies. In making such treaties we should, of course, be governed by the same rules as have governed us in making treaties with foreign countries. We should give no such differential treatment as is suggested by the Fair Traders, and we should make no reductions of duties which we do not consider to be for our own advantage.

Since the above was written, the Australian Colonies have federated, with Free Trade amongst themselves, Protection against the outside world; and Canada and South Africa have given preferential tariff treatment to the United Kingdom, the latter event being the occasion of a new and curious claim—namely, that the Colonies enjoy absolute independence in tariff matters, and yet must not suffer the penalties of that independence in their dealings with foreign countries. This is the only basis of the objection raised against Germany for depriving Canada of the most-favoured-nation treatment when the Dominion,

which Germany had always understood to be fiscally autonomous and self-contained, gave advantages to the goods of the Mother Country which were denied to her own. On behalf of the present Government there has been express repudiation of the suggestion that the United Kingdom might make special treaties with the Colonies, under which the produce of those Colonies which gave the United Kingdom no preference would be subjected to duties.

The question then arises whether there are any duties which we now levy on Colonial produce which we could reduce; remembering that if we reduce them for the Colonies we must reduce them for other countries also. Now, what are the products of the self-governing Colonies which we tax? The only articles of this description in our tariff are cocoa, coffee, chicory, dried fruit, tea, tobacco, wine, beer, and spirits. The exports of these articles from the Colonies are as shown below.

But are there any Duties on Colonial Produce which we could give up?

For the tables given in the last edition the following for the year 1902 have been substituted :—

IN THOUSANDS.

| | COCOA AND CHOCOLATE. | | COFFEE. | | FRUITS,* NUTS, VEGETABLES. | |
|------------------------------|----------------------|----------|-----------------|----------|----------------------------|----------|
| | Quantities lbs. | Value. £ | Quantities cwt. | Value. £ | Quantities cwt. | Value. £ |
| India | — | — | 86 | 319 | 175 | 181 |
| Ceylon | 4,846 | 152 | 8 | 34 | 119 | 56 |
| Australia and New Zealand .. | — | — | — | — | 244 | 201 |
| Channel Islands | — | — | — | — | 38 | 106 |
| Cape of Good Hope and Natal | — | — | — | — | 1 | 2 |
| British North America | — | — | — | — | 954 | 605 |
| British West Indies | 19,981 | 586 | 25 | 79 | 1,147 | 308 |
| British Guiana | 85 | 3 | — | — | — | — |
| Other British Possessions .. | 326 | 7 | 14 | 47 | 23 | 33 |

| | TEA. | | TOBACCO. | | WINE. | | SPIRITS. | |
|------------------------------|-----------------|----------|------------|----------|--------------|----------|--------------|----------|
| | Quantities lbs. | Value. £ | Quan. lbs. | Value. £ | Quan. galls. | Value. £ | Quan. galls. | Value. £ |
| India | 157,128 | 4,803 | 204 | 39 | — | — | — | — |
| Ceylon | 106,108 | 3,134 | — | — | — | — | — | — |
| Australia and New Zealand .. | 197 | 5'5 | 13 | 1'5 | 415 | 159 | 3 | 1 |
| Channel Islands | 10 | '5 | 15 | 9 | 5 | 2 | 1'6 | 1'3 |
| Cape of Good Hope and Natal | — | — | 2 | '1 | 4 | 2 | — | — |
| British North America | 3 | '1 | — | — | — | — | 607 | 29 |
| British West Indies | — | — | 11 | 5 | — | — | 2,258 | 247 |
| British Guiana | — | — | — | — | — | — | 385 | 167 |
| Other British Possessions .. | 1,848 | 37 | 57 | 10 | 9 | 4 | 46 | 6 |

* Including 664,000 gallons of lime juice, value £42,000.

Com-
mercial
Treaties
with
Colonies.

India and Ceylon may be excluded, for the reasons above given. I may also remark that there are or have been large re-exports of tea from New South Wales and Victoria, which are, no doubt, re-exports of Chinese or Indian imports, furnishing additional evidence of the circuitous nature of the trade of the East, to which I have adverted above. On spirits, England is not likely to make any reduction. Omitting these, the striking feature in this scanty list is the total absence of any article imported from those Colonies with whom we might wish and be able to make a tariff bargain—viz. the North American and Australian groups. Indeed, the only article in the list which affords any scope for an alteration, which the Colonies would accept as a boon, is wine. We know from the evidence before the Wine Duties Committee that, both at the Cape and in Australia, the high duty of 2s. 6d. per gallon on wines containing 26 degrees of spirit, when compared with the duty of one shilling on French wines, has been felt as a grievance. The quantity of wine now imported from them is very small; and whether much more will be imported with a reduced duty is, to say the least, very doubtful, considering the cost of labour in the Colonies, and the preference in this country for French, Spanish, and Portuguese wine. But however this may be, the grievance is one which will no longer be felt; for under the arrangements made this year to carry out the Spanish Commercial Treaty the high duty on alcoholic wines will be reduced. That this duty should have been reduced without a suggestion that it should be accompanied by a reciprocal reduction of Colonial duties, affords in itself a presumption that tariff bargains with the Colonies are known to be out of the question. Under these circumstances, whilst admitting fully the expediency of removing any grievances which these Colonies may have in the matter of the wine duties, we may conclude that these duties are not of sufficient importance to afford the means of making tariff bargains with them.

Wine.

As a result of negotiations with Spain and Portugal the minimum duty of 1s. per gallon was charged in 1886 on wines of a strength up to 30 degrees of proof spirit, instead of being limited to wines

with a maximum strength of 26 degrees. In 1899 the duty on wines was increased, being raised from 2s. 6d. to 3s. per gallon on wines containing over 30 degrees but not more than 42 degrees of proof spirit. For every degree or part of a degree above 42 there is an extra charge of 3d. per gallon, while the duty on wines of less than 30 degrees was raised from 1s. to 1s. 3d. per gallon. In addition to the duty on alcoholic strength still wine imported in bottles pays 1s. per gallon, and sparkling wine 2s. 6d. per gallon. Wine from the Colonies is usually imported in bulk and very seldom in bottles, the value from Australia in 1902 being £830 for wine in bottles and £165,417 for wine in casks.

It is quite obvious, then, that we cannot with our present tariff offer any reduction to the self-governing Colonies which they would accept as a boon, and that we are unable, therefore, to make tariff bargains of any kind with them.

We have nothing to give.

But there is another consideration of some importance, since it illustrates the peculiarity of our commercial relations with our Colonies.

It is not to be expected that we should conclude any such tariff bargain with Canada without a "most favoured nation" clause. That clause is the Alpha and Omega of all our commercial treaties. It is the one point which we retain when all others fail; the feature on which their upholders mainly rely; the feature which redeems them in the eyes of those who otherwise dislike them. To make a tariff bargain with Canada without stipulating that we shall treat one another as well as we treat the rest of the world, would be an admission that we are, or are likely to be, on less intimate terms with our own Colony than with any foreign nation. And yet such a clause might give rise—nay, would be almost sure to give rise—to dangerous differences. Canada and England are separated by the Atlantic; Canada and the United States are distinguished rather than separated by a bridged and navigable river or by an imaginary line. Trade between England and Canada has to overcome natural difficulties; trade between Canada and the United States would be unchecked but for artificial difficulties. Even now the Canadian trade with the United States increases more rapidly than her trade with the United Kingdom. The people of Canada and of the United States are similar in race, in language,

"Most favoured Nation" Clause. Difficulty in applying it to Colonies.

and in habits, and are becoming more so daily. Temporary and accidental circumstances have made Canada and the United States assume a hostile commercial attitude; but their disputes are the quarrels of lovers, and it is pretty certain that sooner or later the people of the two countries will desire to trade freely with one another, to the infinite advantage of both. It has happened before, and it will happen again. When it happened before, Canada made a treaty by which United States goods were admitted into Canada on better terms than English goods, and England allowed—indeed, could not help allowing—the treaty. There is nothing to prevent such a thing happening again. Indeed, it is of all things the most probable. What, then, would be the feelings excited in Canada if a clause in her tariff bargain with England prevented her from making with the United States a bargain of ten times more importance to her real interests than any bargain she could make with England? Would not such a clause go far to make her seek for complete separation?

The fact that America accepts philosophically the present Canadian preference to British goods does not detract from the value of the opinion expressed above, since the present preference has little effect. In spite of it the average Canadian duties upon American imports, which consist largely of raw materials, are much less than on those of the United Kingdom. As Mr. Chamberlain expressed it in 1902, "Foreign produce at the present time in Canada has a still lower average than British produce . . . the net result, which I desire to impress upon you, is that, in spite of the preference which Canada has given us, their tariff has pressed, and still presses, with the greatest severity upon its best customer, and has favoured the foreigner, who is constantly doing his best to shut out her goods."

The fact is that before the Canadian preference was instituted, duties were raised on cotton goods, largely imported from the United Kingdom, and lowered or abolished on raw material from the United States, so that in 1901 British goods imported to Canada paid an average duty of 18·3 per cent., and American goods of 12·4 per cent. Such a preference is naturally not very onerous to the United States; but, small as it is, Canadian manufacturers resent the chance it gives to British goods of competing with their own. In order to nullify its effect as regards iron and steel when the preference was increased, the bounty on Canadian iron was at the same time raised 50 per cent., from 2 dollars to 3 dollars per ton, while the chances of a more

substantial preference being granted may be judged from the fact that a few months ago the Canadian Manufacturers' Association passed a resolution that "the minimum tariff must afford adequate protection to all Canadian producers." Further, the Canadian Government states in an official memorandum that "The Government has been attacked by Canadian manufacturers on the ground that the preference is seriously interfering with our trade. The woollen manufacturers have been foremost in the attack, and they have made a very bitter complaint to the effect that the industry is threatened with ruin through the severe competition from Britain brought about by the operation of the preference."

To sum up the effects of preference in being, it "bitterly" disappoints Mr. Chamberlain, it causes "bitter" complaints from local manufacturers, it rouses resentment in Germany, and its one virtue seems to be that it creates no hostility in the United States—because it utterly fails in its avowed object of disturbing the natural course of trade, and increasing ours at the expense of our great foreign rival's.

Similar difficulties might well arise in Australia, if we were to attempt to get any one of her Colonies to make a separate bargain with us. Their closest natural commercial relations are with one another, and these they will probably prefer to relations with the Mother Country. Nay, there have been suggestions of special treaties between some of these Colonies and countries in America.

I have dwelt upon these points, not because I wish to exaggerate or anticipate difficulties which may never arise, but to show how easy it may be, in trying to draw bonds closer, to strain them to snapping. Let us by all means have the utmost possible commercial connection with our Colonies, but no such tie as may be felt by either party as a grievance.

CONCLUSIONS OF PART I. AS TO A NEW COLONIAL POLICY.

THE general conclusion to which these considerations lead us is that there is little to be done by legislation or treaty to bring us into closer commercial relations with the Colonies. The matter of the wine duties being now

Govern-
ments can
check but
cannot
create
Trade.

The
English
Govern-
ment can
do little or
nothing to
extend
Colonial
Trade.

disposed of, we have already done all that we can to clear the way on our side. It is for the Colonies to play their part. Many of them are doing so fairly enough. The others will do so when they feel it to be their interest, without being specially bribed. It is not in our power to do more. Nor is this to be wondered at, when we consider that all which a Government can really do for trade and manufacture is not to impede it.

All that Fair Traders and Protectionists are urging as to the duty of Governments in providing markets for their people, and other nonsense of a like kind, really means, when it comes to be sifted, that Governments are to check and prevent trade under pretence of guiding it ; that they are not to allow merchants and manufacturers to do that which it is their interest to do. Such a course it is contrary to our commercial interests to enter upon, and it is much more likely to weaken than to strengthen the political connections of the different parts of the Empire.

PART II.

RETALIATION.

CHAPTER XVIII.

RETALIATION ON MANUFACTURED GOODS ABSURD.

THE second of the two great principles of the Fair Traders is Retaliation. They desire to impose retaliatory duties on the goods of foreign countries which do not admit our goods duty free.

English
Retaliation
on Foreign
Manufac-
tures
Impotent
and
Suicidal.

These duties are not to apply to our food imports, which have been dealt with already, nor to imports of raw material, but to manufactures only. It is a sufficient, practical answer to a proposal of this kind that the weapon is in our hands absolutely inefficacious. Of our imports, 90 per cent. are estimated to be raw materials or food, and 10 per cent. only what are called manufactured articles. If we take particular nations, the case is stronger. Our trade with the United States is one-sixth of our whole trade, and their tariff is the most hostile of any; whilst the interest which is affected by their competition is our most suffering interest. But out of their imports into the United Kingdom—which exceeded 100 millions in 1880—about $2\frac{1}{2}$ millions only were manufactures; whilst out of our exports to them $24\frac{1}{2}$ millions were manufactures. Will they not laugh at us? Or, if not disposed to laugh, will they not treat us as they have treated the Canadians, and place still further obstacles on our imports?

To France we exported in 1880 upwards of 12 millions' worth of manufactured and half-manufactured goods; $2\frac{1}{2}$ millions' worth of raw material; and one million's worth of food. From France we imported 23 millions' worth of manufactured and half-manufactured goods, 3 millions' worth of raw materials, and nearly $15\frac{1}{2}$ millions' worth of food. Here there is more to retaliate upon than in the case

of the United States, but the proportion of manufactures which we send to France is greater than the proportion which she sends to us. We send her little but manufactures, whilst she supplies us largely with food. To Germany we exported in 1880 nearly 14 millions' worth of manufactured and half-manufactured goods, less than 2 millions' worth of raw materials, and less than 1½ millions' worth of food. From Germany we imported in 1880 a little over 4½ millions' worth of manufactured goods, 3½ millions' worth of raw materials, and 16¼ millions' worth of food. If we are to play a game at who can do most to stop each other's manufactures, it is clear that Germany will have the best of the match. What is true of these countries is true of others. We are *par excellence* the manufacturing country, and for us to play the game of who can best destroy manufacturing industry is simply suicide.

Of our imports in 1902 79·9 per cent. were raw materials and food ; 20·1 per cent. manufactured articles, a great proportion of the latter being really raw material of other industries. To the United States we exported 18·6 millions' worth of manufactured articles, and imported thence 11·1 millions.

To France, in 1902, we exported, of manufactured goods, 9·4 millions' worth ; raw material, 5·8 millions ; food, ·4 millions. From France we took, of manufactured goods, 31·0 millions' worth ; of raw material, 5·9 millions' worth ; of food, 14·7 millions' worth.

To Germany we exported in 1902, of manufactured goods, 16·1 millions' worth ; of raw material, 4·6 millions' worth ; of food, 2·1 millions' worth. Our corresponding exports from Germany were, of manufactures, 13·6 millions' worth ; of raw material, 5·8 millions' worth ; and 14·2 millions' worth of food.

It will thus be seen that our imports of manufactures have increased—an inevitable thing if we are to trade at all, as the people cannot consume more than a certain amount of food ; and we cannot expect, when we sell metals and machinery to other countries, that they will not put them to use in producing manufactured goods.

What would be our fate under a Protectionist *régime* which would shut out foreign food in order that we might grow our own, and at the same time would retaliate against foreign manufactures, is hard to imagine. We might give our exports away, but there would seem little chance of our being paid for them.

Great as has been the increase of our imports of manufactures, a Board of Trade memorandum of 1902, dealing with the years ending

1900, sums up the matter in a way which shows that even the most timid need not be alarmed :—

“On the whole, the conclusion from this part of the investigation is that, in spite of the strides made by Germany and the United States in recent years, we still preponderate greatly as a country manufacturing for export. Both Germany and the United States have largely developed in capacity to manufacture, not only in their home markets, but for export also, and even France has made some gains. Our exports, however, consist more largely of manufactured goods in proportion to our whole exports than do those of France and the United States, but we are run very close by Germany in this respect. Nevertheless, measuring per head of the population, we are, as we have already seen, far ahead of Germany or any other of our competitors.”

CHAPTER XIX.

PROPOSAL TO TAX MANUFACTURES AND LEAVE “RAW MATERIAL” FREE—DIFFICULTY OF THE DISTINCTION.

BUT when we are told that raw material must be admitted free, and that manufactures are to be taxed, I should like to ask what distinction can be drawn between these two classes of goods which would justify a different treatment ? When I look down the list of so-called raw materials, I see nothing which is not both the produce of some previous labor and the means or material of some further labour ; and when I look down the list of so-called manufactured articles, I find the same thing. I am unable to draw any line between the two, or to find any principle by which to distinguish them.

Is the
received
Policy of
distinguishing
between
Raw
Materials
and Manu-
factures
well
founded ?

If the quantity of labour employed in producing the article is to be the test, the labour employed to produce so-called raw materials may, and often does, far exceed the labour necessary to turn that raw material into a manufactured article. There may be more labour in getting coal, or in growing wool, than in spinning or weaving. If we are to be guided by the operation of the article as a means or a stimulus towards further production, I am unable to see how the raw produce of the soil operates for

Raw
Materials
and Manu-
factures
impossible
to distin-
guish.

this purpose more directly or more effectually than the article into which it is subsequently converted by human labour. I do not see why the alkali out of which glass or chemicals are made is not as efficient a means of production as the salt out of which the alkali is made. Let us take any list in which an attempt has been made to distinguish between raw products and manufactures. We get into difficulties at once. The alkali, for instance, to which I have referred, heads one list of manufactured articles, but it is chiefly useful as a material to be employed in subsequent manufactures. "Apparel and haberdashery," which come next, are, no doubt, manufactures as complete as it is possible to conceive; but even here the boots of the navy, the shirt and apron of the operative, the blouse of the French labourer, the jersey of the sailor, or even the neat cloth coat and shirt of the clerk or manager, are as much the means and essential conditions of further production as the stone, the iron, or the wool which these persons are employed in manipulating or disposing of. Horses come first in one list of "raw produce," but a farm horse is at once the final product of skill in breeding for generations, and is a direct instrument in further production. "Clocks" come first in another list of manufactured articles, and there is certainly no more finished article of human ingenuity than a clock; but is not a clock the *sine qua non* of every place where productive labour is at work? Is it not the great economist of time, which is the principal of all factors in production? I might go through the list in the same way, pointing out how each article of large or general use is, on the one hand, the result of previous labour, and the means for further labour. Nay, the same thing is true of food also. Food is the means of keeping the human machine going, without which there can be no productive labour; it is the most obvious, if not the most important, of raw materials; it is to the man and woman what the coals are to the steam-engine. We admit this when we class food and raw materials together as articles which are not to be taxed, or which are to be taxed more sparingly and cautiously than other things. But, like other raw materials, food is not really more necessary to further production than

other articles of general human use. The house in which the artisan lives, the clothes which he wears, the tools which he uses, are no less means and instruments in making the articles which he produces for sale than the food which forms his blood and muscles, the coal which drives his steam-engine, or the material of fibre, of wood, or of metal which he is converting into use. We may go farther, and say that the so-called luxuries, the tea, sugar, and tobacco, which make life tolerable to himself and his children, are also instruments by which his powers of production are increased. Nay, we may assert, with the most exact truth, that the wine which refreshes the brain of the man of science, the statesman, or the physician, is in the highest degree conducive to the production of wealth. All active and useful human life is one cycle of unintermitted and contemporaneous production and consumption—of production, in order to procure articles of consumption; of consumption, in order the more effectually to produce. There may, of course, be useless and even mischievous consumption of excessive or pernicious luxuries, but these are, economically speaking, a trifle in the vast mass of human consumption; and there may also be foolish and ill-directed production. But, generally speaking, all human consumption is a direct means of production; and this makes me doubt whether there is any real sense in the commonly received doctrine that it is better, on economical grounds, to tax articles of consumption—that is, articles which are in a fit state to be at once eaten, worn, or otherwise used by man—than articles which he has to do something more to before he can use them. But this is, I am glad to say, a controversy on which I need not enter; from the Fair Traders, or from some of them, I am too glad to accept the admission that raw material is not to be subject to a retaliatory duty; and only mention the point now because, if we admit that manufactures are to be taxed, we may find it difficult to stop there.

I have said, “or from some of them,” because the Fair Traders are not consistent with themselves. Mr. Farrer Ecroyd, for instance, in a letter published by their League, considers the free admission of raw materials necessary, and he is a man who does not juggle with words. But

Raw
Materials
and Manu-
factures
impossible
to distin-
guish.

in a later manifesto of the Fair Trade League, published in 1884, consisting of letters by Mr. Sampson Lloyd and notes in illustration of them, I find that the writers are impressed with the above arguments concerning the difficulty of distinguishing raw material from manufactures. What is the conclusion they draw? Not, as one might expect, the natural conclusion, that we cannot exclude manufactures whilst admitting "raw materials," but that "raw materials" must be defined afresh, by excluding from the term "raw materials" articles used in manufacture *which can be produced at home*. "Raw material" thus acquires, in the language of these writers, a meaning which will puzzle economists; and the Fair Trader, whilst professing in terms to give our manufacturer the free import of material, refuses to allow him to use, under that designation, any foreign article used in manufacture which is produced abroad and which can also be produced at home! This, of course, is Protection pure and simple, and helps to show what really needs no proof—that Fair Trade is but a shuffling name for Protection.

Mr. Sampson Lloyd's letters.

New definition of raw material as an article which cannot be produced at home!

CHAPTER XX.

OTHER PROPOSALS FOR RETALIATION.

THE Retaliation of the Fair Trade League is, as we have seen, ridiculous from its impotency; but this does not show that all Retaliation would be inefficient, or, if efficient, undesirable. Proposals for Retaliation, if once adopted, will not stop where the Fair Traders leave them, and there are arguments in favour of the principle of Retaliation which require a little more complete answer than is to be found in the impracticability of a given plan. I do not know that these arguments have ever been more fairly, clearly and vigorously stated than by Lord Salisbury, in his speech at Newcastle, on October 12th, 1881. He said:

"I now only wish to say a word with respect to a matter

Arguments in favour of Retaliation

which, perhaps, through being exciting, occupies some considerable portion of public attention at the present moment. It has been said that we of the Conservative active party are anxious to return to the state of things existing before 1840 in respect to fiscal matters, and sundry terrible consequences have been deduced from the assertion. I, for one, do not possess the desire, nor do I think that such a return would be for the public welfare ; but it does not do for the Government to ignore the commercial difficulties under which the country labours by the simple device of accusing their opponents of a desire to return to the state of things to which I have referred. Whenever the evil of the present state of things is pointed out to them, they, instead of replying, call us lunatics, or beat the great tom-tom of Free Trade in order to drown our voices. It is undoubtedly the fact, and I do not think that anyone can traverse the statement, that in one respect the apostles of Free Trade thirty-five years ago made a gigantic miscalculation, when they said that if the country adopted their principles the rest of the nations of the world would follow their example. (Cheers.) It was repeatedly held out, both by Mr. Cobden and Sir Robert Peel, and undoubtedly it influenced many minds at the time. I am very far from stating that as their only reason. I do not mean to say that their policy would have been different if they had had a different belief ; but they had the belief, and took every opportunity of communicating it to others, that our example would be followed by other nations of the world. That, I take it, is an undoubted fact in history. Well, that has not been the case. The third of a century has passed by, and all the nations by which we are surrounded have not only not become more Free Trade, but on the whole have become more Protectionist. America, I believe, is more Protectionist ; the Protectionist feeling is rising in France. Both of them, mind you, are complete democracies, so there is no pretence for saying that this particular form of opinion has been imposed by the ruling classes. They are countries where it is undoubtedly the sentiment of the people, and nothing else, which governs the conduct of the Government : and in both these countries the feeling of Protection has increased, and is increasing. In Russia, on

Arguments
for Re-
taliation.

Lord
Salisbury at
Newcastle
in 1881.

Arguments
for Re-
taliatio*n*.

Lord
Salisbury.

the other hand, a despotism of the closest type, still you have the same phenomenon. A feeling of Protection is increasing, and the measures of Protection are multiplying. In a kingdom like Germany, with certain constitutional liberties, but ruled undoubtedly by the acutest brain that this century has seen in Europe, you still see this remarkable phenomenon—that the tendency towards Protection is increasing. In our own Colonies, where, if anywhere, we ought to have some influence, there too, unfortunately, the Protectionist feeling is strong, and our own productions are shut out from the markets of our own children. Now, that is a fact which I say it is idle to ignore. It is childish to imagine that our example now, after so many years, will alone have any effect upon these nations. They have their own experience; they have their own philosophers to teach them. Many of them are, and certainly believe themselves to be, as far advanced in intellectual culture as ourselves. What is there to induce them to defer to our judgment, and to follow our example in this respect? If we intend to act upon them, we must find other motives; and I think we have a right to ask, without pledging ourselves to any opinion until the facts are known, that there should be a thorough investigation into the question whether we are now pursuing the right course for the purpose of inducing those other Governments in some degree to lower the terrible wall of tariffs which is shutting out the productions of our industry from the markets of the world. There is no reason that we should pledge ourselves to any particular course until the facts are known. But if you make a suggestion of this kind, you are immediately told, 'This is Reciprocity and Retaliation, and behind it lurks the shadow of Protection.' Reciprocity and Retaliation! But what are these commercial treaties, if they do not involve the principle of Reciprocity? Sir Charles Dilke will very soon meet the French Minister of Commerce, and they will be talking over the respective products of their respective tariffs, and practically Sir Charles Dilke will say to the French Minister of Commerce, 'If you will give me this relaxation of duty upon cotton, I will give you this relaxation of duty upon wine.' But what is this but Reciprocity? And when Sir Charles

Dilke finds that the French Minister of Commerce is difficult to deal with, he will say, 'Well, but if you do not give us this duty, if you do not give us this relaxation upon cotton, I will not give you a relaxation of duty upon wine.' What is that but Retaliation?

Arguments
for Re-
taliation.
Lord
Salisbury.

"Therefore I say, ever since you adopted the principle of commercial treaties, ever since that memorable date, 1860, the principle of what they are pleased in their own language to term 'Reciprocity and Retaliation' is conceded.

"It is merely a question of policy, arising upon the state of facts in each particular case, whether you have the means of any alteration of your tariff which you can with due consideration for your own interests adopt, whether you can so do it in the case of the tariff of your neighbour; and it seems to me that that is a sensible course of conduct to adopt. There is no doubt that by abandoning duties which are useful to you for revenue purposes you confer a great benefit upon foreign countries. Why should you not ask for a price in exchange for that benefit? Why should you not obtain for your own industries a benefit corresponding to that which you are conferring upon them?

"I do not know, until inquiry has been made and opportunities gained of ascertaining whether it presses either upon the food of our people, or the raw material of our industry, both of which must be held sacred—I do not know what opportunities we may have of exercising this salutary influence upon foreign Powers; but in spite of any formula, in spite of any cry of Free Trade, if I saw that by raising a duty upon luxuries, or by threatening to raise it, I could exercise a pressure upon foreign Powers, and induce them to lower their tariffs, I should pitch orthodoxy and formulas to the winds and exercise the pressure."

Now, if I wished to find a strong argument against all tariff bargains, I should point to this speech of Lord Salisbury's. He may exaggerate the sanguine views entertained by Sir R. Peel and Mr. Cobden of the prospects of universal Free Trade; he may also exaggerate the present tendencies of other countries to Protection; and the Retaliation he suggests—viz. upon that inappreciable part of our imports

This argument
derives its
strength
from Com-
mercial
Treaties.

Arguments
or Re-
aliation.

which consists of luxuries—is, unless he means to include amongst luxuries the tea, sugar, and tobacco which are the comforts of our working people—as impotent as that of the Fair Traders.

But, unlike many of the Fair Traders, he states his case fairly, and he puts in very clear terms the impression which our commercial treaties have made, and are making, on many minds besides his own—an impression from which it is very difficult to escape, especially for a diplomatist. Our minister at a foreign court will tell you, “Don’t trouble me with your arguments; tell me with what force you will back them.” If the Foreign Secretary is to make a bargain, he must have something to bargain with.

“X” in the
Pall Mall
Gazette.

Lord Salisbury may, however, be thought by some Free Traders to be a poor economist, and a diplomatist of a very suspicious type; but he has support where one would least expect it. I have seen arguments not very different in character in a perfectly unsuspecting quarter. In the *Pall Mall Gazette* of 8th and 12th August, 1881, were some letters signed X., by an ardent advocate of commercial treaties, in which, after pointing out, first that such a treaty as Cobden’s, which only reduced duties and gave no preferences, differs *toto cælo* from such treaties as the Methuen Treaty, which gave a distinct preference and stipulated for the maintenance of differential duties; and, secondly, that exports are as important a factor in trade as imports—two facts which no sound Free Trader would for a moment deny—the writer proceeded to draw the conclusion that it is the business of the Government of this, and of every other country, to do as much for its exports as for its imports, and, after dismissing the notion of differential duties of a Protective character, suggested a differential duty on wines as a legitimate means of compelling France to admit our exports. A large part of his letters consists in the exposure of the fallacy which he supposes the school of Ricardo to commit when they say, “Take care of the imports and the exports will take care of themselves.” He points out with perfect truth that a limitation on our exports is as much a limitation on our trade as a limitation on our imports, and he implies that however free our ports may be to foreign imports,

it will do us little or no good if the hostile tariffs of foreign countries continue to limit our exports.

A notion similar in substance, but much more recklessly expressed, finds its utterance in the constant misrepresentations we have lately heard of the views and objects of the authors of our present policy. We are told that what Mr. Ricardo, Mr. Cobden, Sir Robert Peel, and others had in view as the principal object and result of their Free Trade policy, was the abolition of foreign restrictions on our exports; that they believed themselves, and prophesied to the people, that if we in England would take off our duties, foreign nations would certainly take off theirs; that in this they deceived and were deceived; that foreign nations have not followed our example; and that these short-sighted politicians, were they now with us, would at once admit their mistake and revise their policy.

We have been told, for instance, by Lord Salisbury in his speech at Dumfries in 1885, that Mr. Bright, having raised a formidable agitation against the Corn Laws, Sir Robert Peel, rightly or wrongly, was of opinion that it was necessary for the interest of the country that that agitation should be closed, and that on this account, without waiting for any negotiations with foreign Powers, he introduced the system of Free Trade which Mr. Gladstone has carried further; and we are told by Lord Penzance, in the *Nineteenth Century* of March, 1886, that the whole fabric of free imports was rested by its framers on the conviction that foreign countries would abandon Protection. Now, what were the real facts? The first step taken by Sir Robert Peel was his first reform of the Tariff in 1842, and in his cautious fashion he based it rather upon financial necessities than upon Free Trade principles. In doing this he had postponed certain further reductions of duties, on account, amongst other reasons, of commercial negotiations then in progress. Thereupon Mr. Ricardo, in two successive years, 1843 and 1844,* brought forward a motion urging the immediate remission of our own duties without waiting to see what other nations would do. In the very interesting debates upon these motions, some members—amongst others Mr. Disraeli—defended the principle of Reciprocity. Sir

Arguments
for Re-
taliation.
More reck-
less Advoc-
ates of
Retaliation

Misrepre-
sentation
of the
Origin
of the
Policy of
fighting
hostile
Tariffs by
Free Im-
ports.

Debates of
1843 and
1844.

* See "Hansard," vols. 68 of 1843, and 73 of 1844.

Arguments
for Re-
taliatio.

R. Peel and Mr. Gladstone clearly agreed with Mr. Ricardo in the principle he advocated—a principle on which they subsequently acted—but objected to its immediate application, and to the abstract form in which his motion was couched. Mr. Ricardo himself, Lord Grey (then Lord Howick), Mr. Ewart, Mr. C. Villiers, and Mr. Cobden, supported the motion on the ground, which was admitted on all hands to be true—viz. that for twenty-five years we had been struggling by means of our own duties to obtain reciprocal reductions from other nations, and had failed entirely, a fact which is constantly and conveniently ignored by the present advocates of Reciprocity. They said, further, that if the great object of this country were to obtain reductions in foreign tariffs, the best way to effect it would be to reduce our own, to show foreign nations that we believed in our own principles, and to convince them by our own consequent prosperity that our policy was the true one. In their anticipations of the wisdom of foreign nations, and in their under-estimate of the strength of protected interests, they were perhaps too sanguine. But this was not the only ground, or indeed the real ground, on which they supported the motion. That ground was the principle, true then as now, that whether foreign nations maintain their own duties or not, it is for our interest to abolish ours, and that if we would but do this in our own interest our own trade must prosper, let foreign nations do what they will. As regards Sir Robert Peel, he has himself stated his reasons for adopting a Free Trade policy in one of the finest speeches he ever made.* Mr. Disraeli had asserted that “We can only encounter the hostile tariffs of foreign countries by countervailing duties”; and Sir Robert Peel’s speech was an emphatic refutation of this doctrine, and an uncompromising defence of the opposite principle—viz. that you can best fight hostile tariffs by free imports—a principle upon which his great tariff reforms were really founded. The immediate suspension of the Corn Laws was due, he said, to the temporary scarcity of food; but the ultimate repeal of that, as well as of other Protection laws, he founded on principles of Free Trade—a principle which he asserted as positively,

Our
interest is
to abolish
our own
Protective
duties,
whether
other
nations re-
duce theirs
or not.

Origin of
our present
policy.

* “Hansard,” 1849, vol. 106, p. 1429.

and defended as powerfully, as Mr. Bright, Mr. Cobden, or Mr. Ricardo. These great economists were right. Their policy was adopted, and our trade did prosper. No one of these distinguished men doubted, as "X." seems to suppose, that foreign Protective tariffs are a great impediment to our trade, or that it is most desirable that they should be reduced or repealed. What they said was—"A foreign tariff is one impediment; over that you have no power. Your own high tariff is another and a separate impediment, with an additional and cumulative effect; over this you have power. Remove the impediment over which you have power, and do not wait for the removal of the further impediment over which you have no power. You will gain much if you do not gain all. Half a loaf is better than no bread." But the consideration of this fundamental question deserves a new chapter.

CHAPTER XXI.

HOSTILE TARIFFS MUST BE MET BY FREE IMPORTS.

STATEMENT OF THE PRINCIPLE.

THE fallacy by which "X." and Lord Salisbury and many others are misled consists in thinking of a high tariff as a complete barrier, a solid wall, a watertight sluice which allows of no passage. If this were the case, it would be quite true that one high tariff is just as great an impediment to trade as two, and that there is no use in removing one unless you can remove both. If every foreign country were to build an impervious wall round itself, so that no trade could enter, it would not signify how much or how little of a wall there may be round England; no trade could pass either one way or the other. But even in the pre-Huskisson days of absolute legal prohibition, the wall was broken through by the smuggler; and, in the present day, no nation practises absolute prohibition even on paper. The metaphor of a barrier-wall misleads, as metaphors con-

Fallacies in the arguments of Lord Salisbury and others.

Principle of Free Imports.

Protective
Tariffs im-
pediments,
not
barriers.

stantly do. If we are to have a metaphor, Lord Palmerston's metaphor of two turnpikes, one at each end of a bridge, each of which offers some obstacle to the traffic, is a much better one. At the present time every nation, however Protective in its tendencies, does what it thinks best calculated to promote its own exports, and therefore cannot destroy but only check its imports, which are the necessary concomitants of exports. No existing tariff is such as to keep out foreign goods altogether; each tariff has its weakest point, its lower and less Protective duties. Moreover, as a matter of fact, all nations are not Protectionist. In many tariffs Protection is a secondary or partial object; and in other countries importation is altogether free. There are, therefore, abundant means of export; there are even abundant channels, often direct, often circuitous and indirect, by which, so long as a Protectionist country exports at all, the exports of a free country can reach, and in the nature of things must reach it. Trade will go on, and does go on, in spite of hostile tariffs, although the number of transactions is, in consequence of such tariffs, less than it otherwise might be; and each trade transaction is, from its very nature, profitable to both parties engaged in it.

Position of
a Free
Trade
country in
the midst
of Pro-
tectionist
countries.

Let us, however, consider a little more carefully what the position of a nation is which opens its ports whilst other nations are shutting theirs; what our position would be, on the hypothesis (which is untrue) that, whilst we retain a Free Trade tariff, all other nations put heavy duties on our goods. I think it can be proved that, though we shall not have as much trade absolutely as we should have if other nations were free like ourselves, we shall be better off relatively; the trade and the production of the world will be less, but we shall have a larger share of it.

Effect of
Protective
Duties as
between
two
Countries
only.

The point, though elementary, is so important that it is worth while to consider it attentively. Let us first take the simplest case, that of barter between two merchants living in two different countries, and let us think what would be the effect on their dealings of a tax, imposed in either country on the importation of the commodities in which they deal. Suppose that A, a Frenchman, makes 100 yards of silk in France; and B, an Englishman, makes

100 yards of cloth in England. They exchange these one for the other. Suppose that the French Government puts on the English cloth a duty equal to the value of the cloth ; suppose, further, that the cloth is a necessity to the Frenchman, and that it is only to be got from England. The effect of the French duty upon the Frenchman will be, that he will have to pay twice as much for the same quantity of cloth as before ; in other words, he will have to pay 200 yards of silk for his 100 yards of cloth. Then suppose that the English Government puts on the French silk a duty equal to the value of the silk, and suppose, as before, that the silk is a necessity to the Englishman, and can only be got from France. The effect on the Englishman will be that he will have to pay 200 yards of cloth for his 100 yards of silk. The effect of the two duties combined will be that the Frenchman will have to give 200 yards of silk for 100 yards of cloth, and the Englishman will have to give 200 yards of cloth for 100 yards of silk—the extra 100 yards of silk and 100 yards of cloth going into the pockets of the respective Governments.

Of course the real thing will be entirely different ; the goods will not be either necessities or monopolies ; and the effect of the duties will be to transfer the industries, and, in so doing, to reduce both consumption and production. The effect of the French duty on the Frenchman will be to make the Frenchman buy less English cloth, to make him pay more for it, to make him buy inferior cloth from a French maker, and to make him sell his silk to the French cloth-maker for less than the Englishman would give for it. Its effect on the Englishman will be to deprive him of the best market for a part of his cloth, to make him buy less French silk, and to make him buy something with the rest of his cloth which is of less value to him than the French silk.

The further consequence of the English duty on silk to the Englishman will be to make him buy less French silk, to make him pay more for it, to make him buy inferior English silk instead, and to make him sell his cloth to the English silk manufacturer at a less price than the Frenchman would give for it. Its effect on the Frenchman will be to deprive him of his best market for a part of his silk,

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of Free
Imports.

to make him buy less English cloth, and to make him buy French cloth instead at a higher price.

The effect of one duty, supposing the duties still to be equal, will be as great as that of the other ; they will act cumulatively in transferring English and French industries from what they do best to what they can do less well : the French industry from silk-making to cloth-making, the English industry from cloth-making to silk-making.

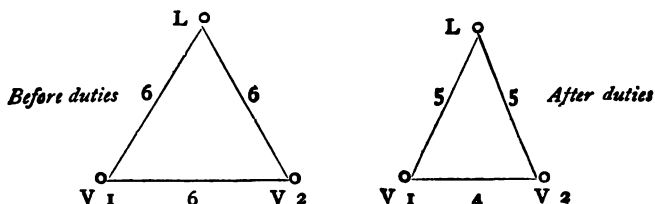
The aggregate production of the two parties will be diminished equally by both duties ; and if one duty is taken off, the mischief to both parties will be just one-half what it would be whilst both duties are continued.

Let us now take the case of two nations who exchange goods with one another ; and let us, after the manner of Bastiat, call one of them Libera and the other Vincita.

Libera determines to put no duties on the goods of Vincita—Vincita puts a duty of 20 per cent. *ad valorem* on the goods of Libera. The result will be damaging alike to Libera and Vincita ; Libera will be able to sell less to Vincita, and to buy less from Vincita in return ; Vincita will be able to buy less from Libera, and will be able to sell less to Libera in return. Now, suppose that Libera, irritated by Vincita's conduct, determines to retaliate, and to impose in her turn a tax of 20 per cent. on the goods of Vincita. What will be the result ? Precisely the same as before, only that it will be double and cumulative. Vincita will be able to sell still less to Libera, and to buy less from Libera in return ; Libera will be able to buy still less from Vincita, and to sell still less to Vincita in return. Both duties have had an equal effect in diminishing the buying and selling on both sides. But their action has been cumulative ; the duties imposed by Libera have doubled the loss to each originally caused by the duties imposed by Vincita. Libera has done herself no good, but has done equal mischief to herself and her rival by retaliation. It will even, in this case, clearly be her interest to cease following the example of Vincita, to revert to her original policy, and become Libera again ; and it will not be the less her interest to do so because she is at the same time doing good to Vincita.

But now let us consider the case of three countries

which we will call Libera and Vincita No. 1 and Vincita No. 2. Suppose that they have a triangular trade with one another, and that these three trades (that of Libera with Vincita 1, that of Libera with Vincita 2, and that of Vincita 1 with Vincita 2) are each equal in amount, and that each of them is represented by 6. Then 18 will represent the aggregate trade of all three, and each will possess an equal share of it, which will be represented by 6. Now suppose that Vincita 1 and Vincita 2 each put equally heavy duties on their respective imports, Libera remaining free as before. The trade between Libera and each of the others will be subject to one set of duties, but the trade of Vincita 1 and Vincita 2 with each other will be subject to two sets of duties. The aggregate exchange, and with the exchange the production of all three countries, will be diminished, but not in equal proportions. The trade between Vincita No. 1 and Vincita No. 2 will be diminished in a larger proportion than the trade of each with Libera. If we suppose that each set of duties has the effect of diminishing the trade on which it is charged by an amount represented by 1, the whole diminution will be equal to 4, and the aggregate trade of the three countries will now be represented by 14 instead of 18. Of this diminution, 1 will fall on the trade between Libera and Vincita No. 1, which will now be 5 instead of 6; 1 on the trade between Libera and Vincita No. 2, which will also be 5; and two on the Trade between Vincita No. 1 and Vincita No. 2, which will now be 4. Each country will, of course, have half the trade between itself and each of its neighbours, and the whole trade will now be divided as follows:—Libera will have 5 instead of 6; Vincita No. 1 and Vincita No. 2 will each have $4\frac{1}{2}$ instead of 6. The following diagram will make this clear:—



Effect of
Protective
Duties as
between
three or
more
Countries.
Abstract
illustration.

Principle
of Free
Imports.
Abstract
illustration.

In the same way it may be shown that if of three countries trading with one another under three tariffs equally Protective, one does away with Protection, the production and trade of all will be increased, but the largest share of the increased trade will fall to the one which opens its ports. When she opens her ports she must do good to her neighbours as well as to herself, though not so much good—a thing which it is important to remember in examining the consequences of adopting a Free Trade policy. Its adoption by one country is followed by an increase of the trade of other countries as well as of her own, though her own trade reaps the greatest benefit.

Concrete
illustration.

I am not very fond of illustrations of this kind. They are apt to appear to be mathematical demonstrations, when they are really only rude and abstract illustrations of one of the many elements which go to make up the infinitely complex and delicate conditions of human business. But taken merely as an illustration, I believe the above formula represents a general truth. Perhaps a more homely illustration will make the matter clearer. Suppose a large village or small town with three general shops in which everything is sold, from lollipops to hardware. Two of the shops are rented from the squire, who also owns nearly all the land in the parish. He says to the tenants of these two shops—"I want to do good to my estate and those who live on it, and therefore I shall require you, in buying for your stock-in-trade such articles as the estate produces, to buy your articles from your neighbours in preference to buying them from strangers. The parish produces corn, wood, vegetables, fruit. There is a local pottery, a local flour mill, a local forge for tools and hardware. All your stock of these things you shall buy from the producers in the parish; or, if you buy them from strangers, you shall pay me a percentage on your purchases, to be used for the good of the estate." The third shop, happening to be on a bit of land not belonging to the squire, is not subject to his patriarchal theories, and buys all its stock of goods, whether of a kind produced in the parish or not, wherever it can buy them cheapest and best. I think we can tell which of these three shops will sell the best articles, will sell them at the lowest prices, and will have the largest and most profitable

custom. The case runs on all fours with those countries of which two compel their producing classes to buy their goods at home, and of which the third leaves them free to buy where and how they best can.

Principle
of Free
Imports.

To carry our homely illustration a little farther, let us suppose that our squire, alarmed at the success of the independent shop, and the decay of the two which belong to him, says to the rest of the tenants on his estate, "I have compelled my shops, for your sakes, to buy their stock of you. It is not fair, it is not tolerable under such circumstances, that you should take your custom to that odious free shop, or to the neighbouring town. You shall buy as well as sell at the shops belonging to the estate, and we will all support one another against these horrid strangers." I think our squire would soon find, in his flitting tenants and diminished rents, ample reason for regretting that he had meddled with their buying and selling.

So far, then, as artificial restrictions are concerned—and it is only with these we are now dealing—the country which keeps its own ports open whilst the ports of other countries are shut will not do as much trade as if the ports of all were open, but of the reduced trade which is left by the restrictions it will do a larger share. If England keeps her ports open whilst the United States, France, Germany, Italy, and other countries shut theirs, the aggregate trade of all of them, and even the actual amount of England's share, will be less than if all of them were open; but her share of what is left will be greater than that of the others, and it will be proportionately greater than it was when the ports were open. It is to her open markets rather than to those of the closed countries that each foreign country will prefer to export, and return trade is apt to follow in the same channel. To her will come raw materials, half-manufactured goods, food, clothing, everything which aids production directly or indirectly. No market is likely to be so closed against her but that she will be able to get something into it, and in doing so she will, by her command of the materials and instruments of production, be better able to compete than her rivals, who have made the materials and instruments of production dear. To all open neutral markets—and they are many—she will have full access. In

The Nation
which re-
mains free
will get the
largest
share of the
Trade.

all neutral markets, open or closed by duties, she will have an advantage. Her open market will attract imports; her command of all that is needed for production will give comparative cheapness to her exports. She will lose absolutely some of the direct trade with her Protectionist rivals which she might have had if it were not for their duties, but they will lose that trade also, and she will have advantages in competing with them in other markets which they will not have.

How Protection defeats itself and helps Free Trade rivals is well exemplified in a case mentioned by the *Quarterly Review* for August, 1903. German iron is raised in price by Protection to German customers, being quoted last year at 95 marks for delivery at the Rhenish Westphalian works when it was being dumped in England at 80 marks f.o.b. As a result, the *Quarterly* records that "a British firm has recently secured a contract to construct certain ironwork in Berlin, and it is explained that German iron will be used, as it can be bought more cheaply in England than in Germany."

A similar case is quoted by the British Consul-General at Frankfurt: "A factory [at Düsseldorf] using tin for its raw material continued for many years a profitable trade with Holland in tinned goods, buckets, &c. In consequence of the cheap export price of tin, the identical goods are now manufactured in Amsterdam, very probably from German material, so that the manufacturer was left with a stock of about 100,000 pails, for which he could find no customers. Another firm [in Dortmund] has decided to transfer a considerable part of its establishment to Holland, as it can there obtain the necessary German raw material so much more cheaply than in Germany."

In 1881 the Colony of Victoria exported £226,203 worth of Victorian-made apparel. In 1893, duties in the meantime having been largely increased on both the apparel and the cloth which formed its raw material, exports fell to £54,917. Even the Protectionist Commission—which was inquiring into the causes of grievous sweating in Victoria in its maximum tariff period—were forced to see in this falling trade the direct result of Protection, and thus reported to Parliament:—

"We feel impressed by the weight of the evidence as to the loss that has ensued upon the great shrinkage in the intercolonial trade. It is manifest that if the low-price cloths under consideration are imported at other Australian ports at lower duties, Victorian competition in intercolonial markets must be seriously hampered. . . . We submit these considerations in view of the representations made by experts on behalf of employers, which are endorsed and supported by

employés generally. The latter contend that a much greater amount of employment than that now offering would result from the removal of restrictions which they allege press heavily on the clothing industry, and that an alteration in the direction indicated would, by extending the field of labour, prove a powerful and effective antidote to the sweating evil."

Such was Protectionist evidence on the effects of Protection.

CHAPTER XXII.

FIRST OBJECTION TO THE PRINCIPLE—HOME TAXATION.

THE preceding chapter contains a statement of the general argument for fighting hostile tariffs by free imports. Let us now consider some of the Protectionist's objections to this principle.

Are our producers to be compensated for the taxes they pay?

One of his favourite arguments is, that the produce of home labour, and especially of agricultural labour, is taxed, whilst foreign produce comes in free; and he proposes to put a tax on foreign produce in order to redress the injustice.

Thus the chairman of the Fair Trade League says, in his letter to Lord Derby, p. 6: "I will cite as an illustration the case of a bullock bred for the home market. During the two and a half years it is being reared, an acre of land must be told off for its support. The State claims on that land amount to from twelve shillings to fifteen shillings per cent. per annum, depending on the county in which it is raised. Thus the English bullock costs its breeder from thirty shillings to forty shillings per head taxation, independently of the further indirect taxation incurred in the keep of its caretaker. The agriculturist asks, therefore, fairly enough, 'Why should my beast, which has contributed so much to local and imperial taxation, have to compete in the same market-place with animals on which not a penny of taxation has been paid?'"

Mr. Sampson Lloyd's taxed bullock.

Now I will not stop to inquire into Mr. Sampson Lloyd's figures; I will not inquire whether the sum is correct; I will not ask on whom the taxation falls, viz.

whether upon the agriculturist or upon rent ; or whether these taxes, if remitted, would go into the pocket of the landlord, or help to facilitate the production of beef. Let us assume that the tax is a tax on productive industry, and that it is to be looked at in precisely the same light as the income tax, and the rates which the manufacturer pays on his business or his factory ; and let us ask, on these very improbable assumptions, whether any such taxation affords the slightest ground for a countervailing Customs duty on an American bullock.

Objections
to the
Principle.
Taxation
should be
fair as be-
tween dif-
ferent
classes.

If the Fair Traders meant that English taxation was not fair as between different classes of Englishmen, and that local rates might be more fairly apportioned than they are ; if they wished that accumulated personalty should bear its fair share of local and imperial burdens ; above all, if they meant that the incidence of taxation as between rich and poor should be fully inquired into, and the injustices, if any, be redressed, the demand would be a fair one, though it might, perhaps, land them in unexpected conclusions. But this is obviously not what they mean. If they have any intelligible meaning, it is that we shall take into consideration the taxation which falls—directly or indirectly—on every branch of productive industry, and shall then put upon the corresponding foreign produce a Customs duty equivalent to the taxation which the home produce bears.

But the
Foreign
producer
pays direct
taxes no
less than
ours, and is
burdened
with
heavier
charges
of other
kinds.

Now, in the first place, the assumption that foreign production is untaxed, or is taxed more lightly than English production, is certainly not true, and is probably the reverse of the truth. In actual direct taxation per head, England compares not unfavourably with other similar countries, whilst their taxation per head is growing much faster than ours. Supposing that, instead of simple taxation per head, we take the proportion which wealth bears to taxation, or, in other words, the capacity to pay, as our standard of comparison, England is one of the most lightly taxed nations of the world. If, again, we do not confine ourselves to direct taxation, the case in her favour becomes much stronger. Suppose, for instance, that we take military conscription into account, European nations will be found to have laid on their national industries an

immense additional burden, which England does not lay on hers. And if, in addition, we take into account the loss which foreign countries by their Protective systems inflict on their industries, we shall find that the burden thrown on their productive powers becomes out of all proportion greater than that which is imposed on English industry by English taxation.

Objections
to the
Principle.
Taxation.

Thus Germany, France, Italy, Russia, not only rob industry of a large part of its most effective labour by conscription, but also make their productive industries less efficient by heavy Protective duties. As regards our greatest agricultural provider and competitor, the United States, it has been calculated that their Fiscal system imposed on the American farmer an annual burden of some 400 millions of dollars, or £80,000,000 sterling, in the shape of increased price of manufactures excluded by their Protective tariff; and that of these 400 millions, only 60 millions found their way into the State Exchequer.*

To burdens such as these foreign produce is subject, and in addition to the cost of transit—often over many thousand miles of sea and land—before it can reach English markets.

In the second place, the financial problem involved in any proposal to counterbalance home taxation by Customs duties is an insoluble one. It is difficult enough to ascertain the exact incidence and effect of any tax or Fiscal burden at home. But if we are to attempt to ascertain the effect of the taxation of each foreign country on each article it produces, to compare it with our own taxation of the same article, and then to impose a Customs duty on each article which will make home and foreign taxation equivalent, we shall introduce a system of finance and of taxation more preposterously absurd and complicated than has ever yet been dreamed of.

Compensa-
tory taxa-
tion im-
practicable.

But the whole proposal is a delusion. We cannot get rid of our Fiscal burdens. Each country requires to raise

* See Mongredien's "Western Farmers of America." Cassell & Co. The burden of these increased prices is less now. But this is because Protection has stimulated an unhealthy growth of manufacture, and a consequent glut and depression which have depressed prices, and brought ruin on the industries which the system was intended to protect. See below, Chapter XLII.

Objections
to the
principle.
Taxation.
The sug-
gestion is
absurd in
principle.

a certain amount of money by taxation for public purposes. One country requires more and another less. This burden it must bear. It cannot by any hocus-pocus throw it on foreign countries. It may shift the burden from one class to another of its own citizens ; it may arrange the burden so as to do as little harm or as much harm as possible, but, assuming the purposes for which it is raised to be necessary, it can no more get rid of the necessity of paying for them than it can get rid of its soil or climate. To compensate the English farmer, at the expense of his fellow-citizens, for the excess, or assumed excess, of taxation in England, is much the same thing as to attempt to compensate him for his inferior soil or sunshine ; and any attempt to do so can only result in limiting the productive powers of the country as a whole.

It would indeed be a charming discovery if Governments could relieve their own countrymen from taxation by simply taxing the produce of other nations. Chancellors of the Exchequer would revel in their budgets, which would become, if not small, yet delightfully easy ; and Jingoës would triumph in the simultaneous impoverishment of their neighbours and enrichment of themselves. Fortunately, or unfortunately, no Chancellor of the Exchequer can do anything of the kind. He cannot draw his taxes from any country but his own. He can injure other nations, but not without injuring his own still more. Regarded from his own point of view, Protection, in proportion as it succeeds in its primary object, will destroy his revenue. It will kill the goose which lays his golden eggs.

Take two neighbouring parishes, the inhabitants of which are accustomed to buy and sell from one another. One of them has to go to great expense for drainage works and water supply, and the parochial rates rise. Would any one be silly enough to suggest that this rise of rates could be compensated by imposing a duty or restriction on the purchase by its inhabitants of goods sold by the other ? And yet this is not more absurd than to suppose that we can make the Americans pay our income tax or our poor rate by laying a duty on American bullocks.

CHAPTER XXIII.

SECOND OBJECTION TO THE PRINCIPLE—EXCESS OF IMPORTS.

ANOTHER objection which the Fair Traders make to our principle of Free imports is that imports displace British production, and that consequently the excess of imports, which is apparent in our recent Trade Returns, is a fatal sign of the decadence of English industry. Imports are their great bugbear, and to them excess of imports means ruin. There is, perhaps, no subject on which so much nonsense has been talked. It is nonsense which reappears under a great variety of forms.

Alleged
excess of
Imports.

For instance, I find in one of the Fair Trade tracts a long and graphic description of the making of a plough in England, and of all the English people employed in preparing the materials and putting them together. The whole culminates in the sale of the English-made plough to a farmer for £12, whilst a similar article might be imported from abroad for £11 10s. All this is for the sake of the following precious piece of political wisdom :—

Fair Trade
ploughs
gratis !

“ I must deal with the question in its practical bearing, and tell you that the dogma, ‘ Buy in the cheapest market,’ is a great delusion, for, in the case of the plough which produced £12 to the whole nation, if it could be bought from the foreigner for £11 10s. the whole nation would certainly gain 10s., *but would lose the £12 by the collapse of that special industry, the nation, from the Government down to the candle-stick maker, being poorer by £11 10s. in distributive wealth.*”

Objections
to the
principle.
Excess of
Imports.

Astounding conclusion ! How do the Fair Traders think the imported foreign plough is to be paid for ? With nothing ? If so, then the nation will be richer not by 10s., but by £12. If with something, then with what ? Why, of course, with something which English workmen can make better and cheaper than they can make ploughs, and which will have to be sent abroad, and there sold to pay for the plough.

Fair Trade
notion, that
Imports
injure Eng-
lishmen as
Producers.

Again, in another of their leaflets I find a long story about the producer and consumer, and a long and tedious attempt to show that in consulting the interest of the consumer by encouraging imports we are damaging the producer, and discouraging exports.

Fallacy of
distinction
between
Producer
and Con-
sumer.

In this there is a double fallacy. In the first place, producers and consumers are really the same people. The distinction between producer and consumer is of use and of interest in arguing questions of political economy, where the different capacities in which men act, and the different motives which impel them to action, have to be taken into account; but producers and consumers are, in real life, the same persons. Every producer is a consumer, and every consumer (except the purely idle, whom we need not now consider) is a producer. The workman who produces steel rails, consumes bread, meat, tobacco, clothing, and a number of other things. The learned classes—the engineer, the lawyer, the doctor, the statesman—whilst consuming whatever is necessary for life and health, assist in production no less than the workman. We are all—if we are doing anything useful—producing as well as consuming. There is really no interest of producers separate from that of consumers. We are all interested in buying what we want wherever we can get it best and cheapest.

Largest im-
ports cause
largest pro-
duction.

Secondly, if we look to production alone, and put consumption out of the question, it is the largest amount of free imports which will cause the largest amount of production. Not, no doubt, of the same articles, but of articles which we can produce better and with more advantage to ourselves and to the country than we could produce the articles which we import. The moment we cease to produce such articles we shall cease to import. So long as we import we may be sure that we have bought those imports with our labour, and either have paid, or are paying, for them with our exports. We can pay for them in no other way.

The fear of
growing
Imports.

But it is the growing excess of imports which fills our Fair Trade friends with their most terrible alarms.

The absurdity of these terrors has been so often and so fully exposed that it is unnecessary to repeat in detail the

many arguments which show that our imports are large because they include the profits of our present trade, and of our past savings. But it may be desirable to state the outlines of the case shortly, premising that the incompleteness of our statistical records makes error easy and exactness impossible ; for, not only do our statistics of exports omit much which is really produced and sent out of the country, but all attempts to strike an exact balance of imports and exports are confused and baffled by investments, and by the traffic in securities. We know that all exports of goods are made either in exchange for the imports of other goods or bullion, or by way of loan to be repaid hereafter by imports—and we know that imports are made either in exchange for goods or bullion, with the necessary additions for freight and profit, or by way of repayment of the principal or interest of loans which we have formerly made. But we do not know how much is due to each of these causes, and we cannot, therefore, strike an accurate balance. We do not know the exact state of our debtor and creditor account with foreign countries. The difficulty is increased by the fact that securities are now used as a sort of international cash, and are transferred from country to country, not as permanent investments, but in place of bullion to settle the balance of accounts. In consequence there is large room for speculation and for error.

Imperfection of Statistics as statement of Balance of Trade.

But all economists agree that we are a largely-lending country, and that we have enormous investments abroad, of which the interest and profit are daily returning to us in the shape of imports. The case may be put shortly as follows :—

The excess of imports over exports in 1880 was :—

| | | | | | | |
|---------|---|---|---|---|---|--------------|
| Imports | . | . | . | . | . | £411,230,000 |
| Exports | . | . | . | . | . | 286,415,000 |
| | | | | | | <hr/> |
| | | | | | | £124,815,000 |

And in 1884 it was :—

| | | | | | | |
|---------|---|---|---|---|---|--------------|
| Imports | . | . | . | . | . | £390,019,000 |
| Exports | . | . | . | . | . | 295,968,000 |
| | | | | | | <hr/> |
| | | | | | | £94,051,000 |

Objections
to the
principle.
Excess of
Imports.

In 1902 it was :—

| | | | | | | |
|---------|---|---|---|---|---|--------------------|
| Imports | . | . | . | . | . | £528,391,000 |
| Exports | . | . | . | . | . | 349,239,000 |
| | | | | | | <hr/> £179,152,000 |

Estimate of
Foreign
Invest-
ments.

The amount of English capital constantly employed abroad in private trade and in permanent investments, including Stock Exchange securities, private advances, property owned abroad by Englishmen, British shipping, British owned cargoes, and other British earnings abroad, has been estimated by competent statisticians as being in 1880 from 1,500 to 2,000 millions, and it is constantly increasing. Taking the lower figure, the interest or profit upon it, at 5 per cent., would be 75 millions, and at the higher figure, 100 millions. But a large proportion of this amount being employed in active business, would bring in more than 5 per cent. profit, probably not less than 10 per cent. Supposing one-quarter to bring in that interest, we should have, as the income of 1,500 millions capital, 94 millions; for the income of 2,000 millions capital, 125 millions. The former amount is equal to, and the latter greater than, the excess of imports over exports in 1884. But besides this, there is the question of freights. A very large proportion of the trade of the United Kingdom is carried in English ships, and these ships also carry a large proportion of the trade of the world which does not come to England. This is, in fact, an export of highly-skilled English labour and capital which does not appear in the export returns, and considering that it includes not only the interest on the capital invested in the ships, but wages provisions, coals, port expenses, repairs, depreciation, and insurance; and that the value of English shipping employed in the foreign trade is estimated at considerably more than 100 millions sterling, the amount to be added to our exports on this account must be very large. Add to this the ships built for foreigners, amounting in 1880 to 70,000 tons—chiefly steam-ships—the ships repaired for foreigners and the ships sold to foreigners, amounting in 1880 to 75,000 of sailing and 36,000 of steam tonnage, worth altogether several millions, which do not appear in our list of exports. All these outgoings, except the small part spent abroad,

Outgoings
on Ships.

with the profits, must either return to this country in the shape of imports, or be invested abroad. From all I can learn, I believe that 50 millions is too low an estimate of the amount of unseen exports, which should be added on this account to the total of exports visible in our statistical returns. In addition, there are the commissions and other charges to agents in this country, connected with the carriage of goods from country to country, which are analogous in their nature to the charges of the ship-owners for conveying goods, all of which appear in our accounts of imports, but none of which appear in the list of exports. If there is any truth in the above figures, not only is the excess of imports over exports accounted for, but there is really a large surplus of imports due to us, which can only be accounted for by supposing that we are still investing large amounts of our savings in foreign countries and in the Colonies.

Objections
to the
principle.
Excess of
Imports.

We need not, therefore, be afraid either that we are consuming the realised earnings of past generations, or that we are ceasing to be able to earn. Though receiving more, we are still earning; and we may consume in confidence, because we produce in abundance.

We have already, on page 9, quoted a balance-sheet from the Protectionist publication, "Imperial Reciprocity," issued by the *Daily Telegraph*, in which it is shown that there is a balance of £10,200,000 annually due to England after subtracting the value of her imports from the value of her exports visible and invisible, the existence of this balance clearly showing that we are not going into debt or living upon past savings. In the value of our exports is here included the value of new ships, not recorded there when Lord Farrer wrote, but no allowance is made for the large sum probably coming to this country in the shape of imports to pay for the expenditure of foreigners in England. Without that, however, £10,200,000 is given as the very respectable sum of net profits of international trade accruing to this country and annually invested abroad. The figure of £120 millions for annual interest due to us is high, but is in all probability correct, and certainly would not be accepted by the economist of the *Daily Telegraph* if there were any reasonable grounds for disputing it, and in any case, as previously pointed out, he has taken £70 millions as the annual earnings of British ships, whereas the Board of Trade now estimates them at £90 millions. Our adoption

Objections
to the
principle.
Excess of
Imports.

of the latter figure would give £30,200,000 annually instead of the £10,200,000 shown as a "balance" on page 9.

I cannot finish this chapter better than with Cobden's own words :—*

Cobden's
Illustration
of Excess
of Imports
and Drain
of Gold.

"Now, we are met by the monopolists with this objection : If you have a Free Trade in corn, foreigners will send you their wheat here, but they will take nothing in return. The argument employed, in fact, amounts to this, if it amounts to anything—that they will give us their corn for nothing. I know not what can exceed the absurdity of these men if they be honest, or their shallow and transparent knavery if they be dishonest, in putting forward such an argument as that. If there be a child here, I will give him a lesson which will make him able to go home and laugh to scorn those who talk about Reciprocity, and induce him to make fools' caps and bonfires of the articles in the *Morning Post* or *Herald*. Now, I will illustrate that point. I will take the case of a tailor living in one of your streets, and a provision dealer living in another, and this busybody of a Reciprocity man living somewhere between the two. He sees this tailor going every Saturday night empty-handed to the provision dealer, and bringing home upon his shoulder a side of bacon, under one arm a cheese, and under the other a keg of butter. Well, this Reciprocity man, being always a busybody, takes the alarm, and says : 'There is a one-sided trade going on there—I must look after it.' He calls on the tailor and says, 'This is a strange trade you are doing ! You are importing largely from that provision dealer, but I do not find that you are exporting any cloths, or coats, or waistcoats in return ?' The tailor answers him, 'If you feel any alarm about this, ask the provision dealer about it ; I am all right, at all events.' Away goes the Reciprocity gentleman to the provision shop, and says, 'I see you are doing a very strange business with that tailor ; you are exporting largely provisions, but I do not see that you import any clothes from him. How do you get paid ?' 'Why, man, how should I ?' replies the provision dealer ; 'in gold and silver, to be sure !' Then the Reciprocity man is seized

* See "Cobden's Speeches," p. 63. Speech in London, 8th Feb. 1844.

with another crotchet, and forthwith begins to talk about the 'drain of bullion.' Away he flies to the tailor, and says, 'Why, you will be ruined entirely! What a drain of the precious metals is going on from your till! That provision dealer takes no clothes from you; he will have nothing but gold and silver for his goods.' 'Ay, man,' replies the tailor, 'and where do you think I get the gold and silver from? Why, I sell my clothes to the grocer, the hatter, the bookseller, and cabinet-maker, and one hundred others, and they pay me in gold and silver. And pray, Mr. Busybody, what would you have me do with it? Do you think my wife and family would grow fat on gold and silver?' Now, if there is any little boy or girl in this assembly, I hope they will go home, and for exercise write out that illustration of Reciprocity, and show it to any of their friends who may be seized with this crotchet respecting Reciprocity and the drain of gold, and see if they cannot laugh them easily out of their delusions."

CHAPTER XXIV.

THIRD OBJECTION—INVESTMENT OF ENGLISH CAPITAL ABROAD.

IN the last chapter, and elsewhere, I have spoken of our foreign investments as matters which have great influence on our foreign trade; and our Fair Trade friends have a good deal to say about and against them. It is true that they are, as usual, absolutely inconsistent with each other and with themselves. When we point to the indebtedness of foreign countries to England as one reason for the excess of imports, they tell us that we have been paying for our imports by the return to us of foreign securities; and at the same time they complain bitterly that, instead of spending our money at home, our rich men are constantly investing their money abroad, and thus robbing English labour of its rights here. Here is one of their appeals to working men of England:—

Fair Trade
objections
to our
Foreign In-
vestments.

Objections
to the
principle.

"Free Traders tell you that these imports are the consequence of our foreign investments. Is it any compensation to the working men of England to know that work which is their birthright is being done by foreigners for the advantage and benefit of a few rich people who have invested their capital out of their own country?"* And, again, Mr. Sampson Lloyd says: "By the virtue of foreign investments, by the power of utilising capital to equal if not greater advantage in the employment of labour on foreign soil, moneyed interests thrive and flourish, and home industry is handicapped by the very sources of their prosperity."† Similar quotations might be multiplied if it were worth while.

Interest of
working
men.
(1) In the
imports
which are
the returns
from these
invest-
ments.

Foreign in-
vestments.
Interest of
working
men.
(2) In the
exports by
which the
investment
is made.

With one part of this subject—viz. the notion that the excess imports due to foreign investments go to swell the fortune or increase the business of the rich man and fail to reach the working classes—I have dealt above in Chapter XV., where I have shown that our excess of imports being for the most part either raw material for manufactures, or common food, must go to provide workmen with the means of industry or the means of living. But it is worth while to consider more carefully the operation of an investment made by an Englishman in a foreign industry, and to see what is its effect on English industry compared with investments made at home. I speak now not of the case of absentees who spend their winters on the Riviera or in Paris, and their summers in Switzerland, and who consume in those countries the moneys they derive from their investments, whether at home or abroad.

It is worth notice that the men who consume English money in pleasure abroad add nothing to our imports, but considerably to our exports, and should therefore be regarded by Protectionists as benefactors to their country.

I speak of the Englishman who has his home and employment in England, who invests larger or smaller sums of money in American, Australian, or other foreign securities, and who draws from them an annual income. What is his object in making the investment? Why does

* Fair Trade Tracts, No. 15.

† Letter from Mr. Sampson Lloyd to Lord Derby of 14th July, 1882.

he put his money into foreign railways or foreign land companies rather than into farms, or manufactures, or railways in England? Simply and solely because he makes more by so doing. In general he will prefer an English security, under the protection of his own laws and Government, unless the foreign security offers him some advantage in the shape of higher interest. Does he do his own country any harm in yielding to the temptation? Let us take an individual case, and see how it works.

Objections
to the
principle.
Foreign in-
vestments.

An Englishman, whom we will call Johnson, is the owner of a farm in England, of (say) 300 acres, much of it arable, which he cultivates himself.

It costs him in labour £500 a year, and he employs (say) 16 labourers at an average of 12s. a week. At present prices of agricultural produce the farm is a dead loss to him, or does not pay more than its expenses. If he throws the whole or the greater part of it into grass he will largely reduce his expenses. He will save (say) one-half of his labour bill (£250), and as much more in horses, carts, machinery, seeds, and manure, making altogether £500 a year to the good.

Now, let us suppose that, not wishing to increase his expenditure on himself, his house, or his family, Johnson is anxious to invest his money. If it had been profitable to him, he would have kept it and invested it, as before, on his farm. As it is, he looks out for what will be more profitable, and he finds that in consequence of the demand for corn in Europe, and the increasing cultivation of corn in America and India, there is no investment more profitable than an American or an Indian railway. He buys shares in such a railway to the extent of the £500 which he has saved from his farm. How does his £500 get out there? Not certainly in gold. We import into England more gold than we export. Unless it is exchanged for capital returning home, which is unlikely, for we are constantly making fresh investments abroad, it goes out in the shape of English goods, possibly in the form of iron rails or machinery which are required for the purpose of the railway in which Johnson has invested his £500.

This £500, therefore, sets to work English labour as much as if it were wages on Johnson's farm. It sets to

Objections
to the
principle.

Certain
advan-
tages to
working
men.

work the workmen who make the iron, the shipbuilders who make the ship which carries the goods, and the sailors who navigate her.

When it has reached America or India, what does it do there? First of all it facilitates the carriage of corn, and makes corn cheaper in this country. Then, as regards Johnson himself, it creates an obligation on the part of the American or Indian railway company to pay him interest upon it—say, at the rate of £5 per cent., by which he gets £25 a year, which he would never have had if he had continued to invest his money on his English farm in growing corn, which he could not sell at a profit. This £25 he can spend as he pleases. Possibly, being richer than he was, he may choose to spend it unproductively on his farm; possibly on his garden, his house, or on other luxuries; possibly he may invest it again in the same way in which he invested the £500 from which it was derived. But in any of these cases it will set to work English labour; and there will be £25 employed in setting to work English labour, which would not have existed if Johnson had continued to grow unprofitable corn. If the £25 is productively invested, it will again produce interest, to be again employed in labour, and so on. Each year the same process will be continued—each year Johnson will be diverting the unprofitable labour from his farm to profitable labour in the mine, the foundry, the shipbuilding yard, and the ship; and the amount of capital to be returned to this country to be there employed in labour will constantly accumulate. On the whole, therefore, not only will Johnson be better off, but the money used in employing labour in this country will be increased; and that labour will be of a better kind—because more productive—than the labour on Johnson's farm.

Possible,
disadvan-
tages to
working
men.

But now, in order to be fair, let us look at the other side of the question. Johnson formerly employed 16 labourers on his farm—he now employs only half the number. He formerly bought seeds and manures and horses, which he no longer buys; and to this extent English labour is displaced. But this labour is *ex hypothesi* less valuable labour to the country than the English labour which his foreign investment has set to work, and it would

not produce the additional interest for the future employment of English labour which the foreign investment does. The displacement and transfer may, nevertheless, cause inconvenience and loss to the farm labourers concerned. Such inconvenience and loss are little, if at all, felt where the process is gradual and the labour is absorbed elsewhere ; but they may be so sudden as to cause considerable suffering. For instance, the process I have thus illustrated has for many years been going on throughout Western England, as is shown by the decrease of arable land in the agricultural returns ; and this change being gradual, has down to the past year been effected without loss to the agricultural labourer, as is shown by the maintenance or rise of his wages. It may be that quite recently things have changed ; that the long-continued agricultural depression has had a cumulative effect ; that the depression of prices following bad seasons has caused the change to go on more rapidly, and that it is causing some suffering at the present time.

Objections
to the
principle.
Foreign in-
vestments.

But whether this is so or not, it remains true that on the whole the transfer of English capital from an English industry which does not pay to a foreign or Colonial industry which does pay, is no loss to England generally, and causes no diminution in the employment of English labour.

Balance of
advantage.

There are, however, two drawbacks to these foreign and Colonial investments of a totally different kind, to which it is well to call attention. The one is that in case of a war with a maritime Power, the returns from them would be open to greater risk than investments in this country ; the other, that they can more easily evade taxation by the English Government. If the Fair Traders would devote their attention to the best mode of securing safety to our immense foreign investments, and of making this form of personal property pay a certain and a fair contribution to the national expenses, they might deserve public gratitude.

Drawbacks
to foreign
invest-
ments.

It will be remembered that in this chapter I have been arguing with those who would treat the transfer of capital from English estates or manufactures to foreign railways or other foreign enterprises as an economical evil to be discouraged by the Legislature. But the desire to make profitable investments, however valuable economically, is not

Objections
to the
principle.
Foreign in-
vestments.

the only motive which governs rich men ; and the love of natural beauty ; interest in farming and outdoor life ; personal and local attachments, are quite sure to maintain a much larger expenditure on English land and on English labour than would be dictated by a desire for gain. By all means let all such motives have their way ; but do not let us, in the supposed interest of national wealth, be persuaded to deprecate or discourage the foreign investments which have done so much to increase that wealth, and to improve the condition of the toilers and spinners who produce it.

CHAPTER XXV.

FOURTH OBJECTION—FREE IMPORTS DIMINISH HOME PRODUCTION AND WAGES—CAN EMPLOYMENT AND WAGES BE INCREASED BY PROTECTION ?

Good
wages said
to be better
than cheap
goods.

THE form which the Protectionist objection to Free Trade has lately taken is, as might be supposed, addressed to the labouring class, and especially to the artisans of our large towns. It is said that cheapness is a good thing, but that good employment and high wages is a better ; that there is no use having things cheap unless you have something to buy them with ; that cheapness of price means low wages ; and that by making things artificially dear the Legislature can increase employment and raise wages.

Mr.
Howorth.

For instance, Mr. Howorth* says : " It is much more important to the workman to have large wages than cheap commodities. Nor is this all. Commodities cannot be cheapened without somebody suffering. When commodities are exceedingly cheap (many of them below cost price) it is absolutely certain that it is at the cost of the cheapening of those commodities, and if there be a general cheapening all round it follows that the cost of the cheapening has to be paid for by the only section of the community who ought to be cherished and fostered—namely, producers

* *Times* of 3rd Dec., 1885.

in general." And Lord Penzance * says : " On reflection it will, I think, be found that this matter of securing a market for labour ought to be by far the most prominent aim of the Legislature, and, in respect at least of articles of luxury, far to transcend in importance any degree of cheapness that, by allowing the foreigner to compete with us free of duty, can possibly be attained. A day's labour unsold is a day's labour lost, and a day's wages lost to the wealth of the community ; for the wealth of the community is the product of labour on material, provided by capital, and is also a day's wages withdrawn from the purchasing fund which sets in motion and provides a market for the labour and skill of others."

Lord Pen-
zance.

This is only the old Protectionist case in a new form, addressed especially to workmen. But it is worth while to examine it in this form and to try to understand why it is that it has not been without some effect on some of those to whom it is addressed.

In the first place, let me repeat—even if I am wearisome in so doing—that mere cheapness is not what Free Traders aim at or desire, and that they have no special weakness for consumers. What they desire is abundance for all : abundance of consumption, abundance of production and of the employment necessary to production, all of which may be accompanied either by high or by low prices. This abundance, they believe, will be better promoted by Freedom than by any system which restricts either consumption or production. This is their general argument ; and we have now to consider how it affects men considered as producers, and especially how it affects that class of producers whose labour is paid for in the form of wages. Can their employment be increased and made more regular, or can their wages be raised, by any restriction on foreign imports ? I distinguish between employment and wages, because it must be remembered that increase of employment and increase of wages, though they generally go together, do not necessarily do so, at any rate in any particular trade. If there is spare labour elsewhere which can be transferred, employment in that trade may be increased without raising wages.

Cheapness
to con-
sumers
is not, as
stated,
the Free
Traders'
idol.

* *Nineteenth Century*, April, 1886, p. 597.

Theories of wages.

High prices do not imply high wages.

Presumption that restriction of production cannot increase wages.

Now, I am not going to attempt any theory of wages. The factors which determine wages are so numerous and so various that I regard with great distrust any attempt to compress them into the form of a general formula. The quantity and quality of labour offered and required ; its versatility ; the quantity, nature, and transferability of the capital out of which labour is paid ; the standard of life and wants to which the labourer is accustomed ; his power of combination ; his means of finding other employment ; the demand for the produce of his labour—all these and probably other variable factors go to determine what his wages shall be. But one thing is perfectly clear from experience. High prices do not necessarily mean high wages ; nor do low prices necessarily mean low wages. Wages of all kinds in England were much lower when corn and manufactures were comparatively dear than they are now, when both are comparatively cheap. Wages are higher in England than in France, though the cost of the necessaries of life is, thanks to Protection, higher in France than in England. The price of food and of many necessaries is low in the United States, but wages are high—not on account of their Protective system, but because the able-bodied workman has the land of the West to fall back upon. It will not do, therefore, for the Protectionist to show that he can raise prices, for high prices may accompany low wages. What he must do in order to prove his point is to show that if prices are raised in the way in which he proposes to raise them, wages and employment must rise too.

The Protectionist certainly starts with a strong presumption against him. He cannot by any of the laws which he proposes to pass add one iota to the productive powers of the world. He cannot add an idea to the brain of the thinker ; a muscle to the arm of the worker ; a fertilising ingredient to the soil. All his implements are fetters on free action or weapons of destruction. To suppose that by preventing men from using their natural powers and satisfying their natural desires you can increase their capacity for production and for earning wages by production, is in the highest degree improbable. Real wages consist in the things which men use and enjoy ; and if the aggregate

quantity of these things is diminished, as it must be by any laws which restrict exchange, the aggregate of real wages is diminished also. This is obvious, and, I believe, generally admitted to be true of mankind taken as a whole ; it is also admitted to be true of a family, a village, or a county. But the Protectionist says that it is not true of a nation—one may well ask why.

Leaving him to answer this question if he can, let us examine more closely what it is that he proposes to do. He says that it is the low prices of manufactured goods which is compelling our manufacturers to restrict employment and to lower wages. He proposes, therefore, to raise the prices of manufactured goods. Now, putting aside all questions concerning changes in the value of money and its effect on prices, there are but two ways of increasing prices : one by increasing the demand and the other by diminishing the supply. Demand will be increased if the purchaser becomes more prosperous, if his desires and his capacity to pay for the objects he desires increase. In this case prices will be raised and everybody will be better off. If in some district a rich mine is discovered, employment will increase, wages will rise, and a demand for objects of use and enjoyment will be greater in that district. Prices will rise, and, at the same time, everybody will be better off. But the Protectionist can find us no rich mine.

Prices may be raised (1) by increasing demand.

The other mode of raising prices is to diminish the supply, and this is what the Protectionist proposes to do. He would prevent us from getting from foreigners all articles of use and enjoyment which can be produced at home ; he would in this way diminish the supply and raise the price of those articles. That he could do so there is no doubt ; but with what result upon employment and wages ? The stock of articles of use and enjoyment in the country would be less than it was before, and, whatever prices and nominal wages might be, there would be less of these articles to divide among the population as remuneration for their work. Under such a system real wages—*i.e.* the things purchased with wages—must in the aggregate fall simply because there would be less of them in the country. This must be the result of Protection logically and universally applied. But then Protectionists are not logical, at any rate

(2) By diminishing supply, which is the Protectionist's method.

when they wish to tempt us with a first step in the direction of Protection. Some will not exclude or restrict food ; some will admit all raw materials free ; some will exclude or restrict the importation of those raw materials only which are produced at home ; some will exclude or restrict manufactures—some will exclude or restrict luxuries. None of these distinctions can really be maintained ; admit Protection in one case and it is inevitable in all, as I will show below. But for the present we will take these proposals as they stand and consider what their effect would be on employment and on wages. They have all one object in common—viz. to restrict the supply of the protected article, to raise its price, and thereby to increase the employment and the wages of the workmen employed on its production at home.

This *may*
raise wages
temporarily
in one limited
Trade,

Now, it cannot be denied that by excluding any one given foreign article which is also produced at home, the home production of that article may be fostered and increased. The result must, of course, be that there will be more workmen employed on that article. Whether their wages will be raised depends upon other considerations, such as whether there is or is not spare labour elsewhere which is capable of being transferred to that manufacture. It is quite conceivable that the imposition of a Protective duty might have the effect of lowering them. For instance, the imposition of a tax on foreign corn might have such an effect on the labour market generally as to reduce the wages of agricultural labourers, at the same time that it increased the price of corn and the numbers of persons employed in producing it. But in general and with one limited trade we may admit that a Protective duty would increase the home production, would give additional employment to workmen in that trade, and would in most cases raise their real as well as their nominal wages, at any rate for a time.

There is no doubt that this would be an advantage to this particular class of workmen. They would for the time be better off than they were. In this lies the strength of the appeal made to the working classes. If a candidate says to the sugar-boilers of East London : " I will keep out foreign sugar and secure you better employment," or if he says to the silk-workers of Macclesfield : " I will keep out French silks and enable your employers to make

more silk and employ more silk-workers," he promises them what, if they can get it, will be a real advantage, at any rate for a time.

The one general answer to any such proposal is that the advantage thus conferred on one set of workmen cannot be so conferred without injuring some other set of workmen. Not only will all workmen who consume the protected commodity suffer by the greater dearness and scarcity of that commodity; not only will all workmen who use the protected commodity for the purpose of producing something else, also so suffer; but some other workmen who make the goods with which the imported commodity is paid for will suffer loss of employment. We may not know who they are or what they produce, but we may make quite sure that we do not get silk from France or sugar from Germany without sending to France or Germany, or, it may be, to some third country, something of British make which has employed British workmen. We may also make sure that, as it has been found profitable to send the silk or the sugar to England and to send the unknown articles of British make abroad, with all the charges of carriage, the British labour has gone farther in producing the unknown commodity sent in payment, than the British labour will go in producing silk or sugar. In fact, British labour employed will, on the whole, be less employed, and less effectively employed, than it was before Protection interfered with it.

but will injure workmen in other Trades.

This is a true and a complete answer, but it is not all. The workman whom it is intended to protect—the silk-weaver or the sugar-boiler—may reply: "This is all very well; but what care I about your unknown workman and your unknown commodity? They are to me as if they did not exist; I am starving, and I want to be helped."

The statesman would rejoin: "I am very sorry for you, but I have to think for all; I cannot help you at the cost of injustice and greater evil to others."

But this is not the only rejoinder which can be made. There are others which can be brought home more easily to the suffering workman.

Advantage to protected workman temporary and precarious.

In the first place, the protected workman cannot rely on the continuance of the advantage Protection is to give him. After a time Protection ceases to protect. It invites

capital into the protected trade ; it causes a glut ; the home market does not want and cannot consume the goods produced ; prices fall, wages fall, employment diminishes, and no relief can be found in foreign markets because the cost of home production has been increased by Protection and because a protected industry is proverbially weak in progress and improvement. This is exactly what happened last year in the United States, and what is happening now in the sugar-producing countries of Europe.

Protection
cannot stop
at one
Trade.

In the second place, the protected trade can never expect to keep Protection to itself, and when other trades are protected also, it suffers at their hands the scarcity which, whilst it alone was protected, it inflicted on them. In the end all trades become protected, and we arrive at the same conclusion as if Protection had been logically adopted and universally applied—viz. a state of general artificial scarcity which, as we have seen, must be injurious to all, whether considered as producers or consumers. This is a very important point, and it is worth while to follow it up carefully.

Protection
to one
article in-
volves Pro-
tection to
all things
made of it.

In the first place, there is scarcely any article made which is not the material or means for making something else ; and if you make materials dear you restrict employment in the manufacture in which they are used. The distinction between raw material and manufactures is very misleading, as I have shown in Chapter XIX. The produce of the farm is itself manufacture of a very high quality, as well as material for manufacture. On the other hand, there are few manufactured articles which do not require further labour before they are consumed. Take, for instance, silk, which is constantly quoted as an article of luxurious consumption. But silk cannot be used till it is made up, and the making it up employs a very large number of workmen, or rather workwomen. If, therefore, you protect English silk against French silk and make it dear in the English market, you may give employment at Macclesfield, but you take work from English workwomen and put them at a disadvantage in competition with Paris dress-makers. And on the same grounds on which you have taxed French silk you must tax French dresses. Dress-making is not the most important of trades, but it illus-

trates the principle as well as any other, and is perhaps more important than it seems. Mr. Worth, the great Paris milliner, says that a liberal tariff in France would increase Paris exports tenfold. He adds that a Court mourning of three weeks in London was a loss to Paris of £600,000, most of which would be wages.* In the case of most other articles the case is far stronger. If you tax corn you must tax flour and everything made of corn; if you tax sugar you must tax biscuits and jams; if you tax salt you must tax chemicals; if you tax chemicals you must tax dyed goods; if you tax leather you must tax boots, shoes, gloves, harness, and gearing; if you tax wool you must tax yarn and woollen goods; if you tax yarn you must tax cloth and silk; if you tax iron or steel you must tax everything made of iron or steel—from a ship to an umbrella—and so on.

The above are not imaginary cases; they are statements of what is being actually done in France, in Belgium, in Canada, or in the United States. The result is inevitable. The Protectionist starts with the principle that he will give employment and wages to the maker of a particular article, and he finds that unless he extends his tax to a second article his first tax robs the workmen who make the second article of their existing wages and employment. Looking to the workman as a producer only and not as a consumer, the Protection of one article necessarily brings with it the Protection of very many others.

But this is not all. Workmen are at the same time both consumers and producers; and in both capacities they are, for their number, the largest purchasers of almost every kind of goods. Their food, their clothing, their furniture, their tools, constitute the great bulk of what is sold in our shops, and among the manufactured articles which give great employment to our producers, there are few, if any, which are not largely used by what we call the working classes. Protection will have very narrow limits—I doubt, indeed, if it is possible to define such limits—unless it extends to articles which the working classes use and consume. If, then, you protect any class

Protection to one class of workmen necessarily involves Protection to other classes.

* See Second Report of Commission on Depression of Trade; Appendix, Part II., p. 127.

of manufactured articles for the benefit of the workmen who make them, you make life more expensive, more difficult, more dismal for all other classes of workmen, and those workmen in their turn will have an irresistible claim to legislative interference in their favour. If by your Protection you make clothes, tools, and furniture dear and scarce to the miner and the farm labourer, he will in his turn have an irresistible right to have his labour protected at the cost of the mechanic and the artisan. Indeed, the farm labourer and the peasant have, if Protection is to be granted at all, a stronger claim to it than any others. Theirs is the original labour, the labour without which none of the more refined forms of labour could exist. Theirs is the labour which far beyond all others in this country is hit the hardest by foreign competition. Theirs is the labour which all politicians and social reformers are endeavouring by wise and by foolish means to restore to the soil from which it is being divorced. It is all very well for Protectionists and Fair Traders to say that they do not propose a tax on food. What they mean is that they dare not propose such a tax. It is so unpopular, as the elections of 1885 show, that they would be hissed out of court if they suggested it. But it is nevertheless the inevitable logical result of those principles. There is not an argument for protecting the manufacture of goods, which does not equally apply to the manufacture of bread; and if we once go back to protecting manufactures, we shall be forced, as a matter of the simplest justice to the agriculturist, to reimpose a corn law.

The above was prophetic. A new corn law is the certain base on which the new Protection, still shadowy in its outlines, is to be reared.

Thus if we once make the first step downwards the further descent is fatal and inevitable. The first Protective taxes involve other Protective taxes—either for the purpose of protecting work and production crippled by the first Protective taxes, or for the purpose of doing justice to classes of workmen to whom the Protection afforded to other classes has made life narrow and miserable, by making the articles they use and consume scarce and dear. Thus

we are bound to go on and complete the charmed circle of Protection until it is complete and everything foreign is kept out of the country which can be made within it. Now, I dare say our Protectionist friends will reply : " This is all theory. We are practical men and confine ourselves within practical limits. We are not to be frightened by the ' thin end of the wedge ' and other economical bug-bears ! " But, unfortunately, what I have shown to be probable on *a priori* grounds is exactly what has happened in the countries which have recently returned to the mire of Protection : in France, in Germany, in the United States, in Canada. In all these countries Protection began with duties imposed either for the sake of revenue or of moderate Protection to manufactures. In all of them it has grown and grown, until it has come to include almost all articles produced within the country. In France and in Germany, and even in Canada, the food of the people is taxed in order to indemnify the agriculturist for the burdens which taxes on manufactures had laid upon him. In all these countries one Protective tax has followed another until the fact that an article *can* be produced at home is sufficient to prove that it ought not to be allowed to come untaxed from abroad. What might be expected to happen has happened. Protection grows upon itself till the fatal chain is completed in every link. It is for this reason that Free Traders are bound and determined to oppose the least step in the direction of Protection, however unimportant it may appear at first sight.

Experience
proves this
to be true.

Experience is thus at one with theory ; but the point is so important that an illustration may not be superfluous. Let us see how the notion that we can increase employment by restricting exchange looks when applied on a very small scale such as we can easily grasp. What is true of a country must be true of a province, a county, a town, or a village. Suppose that in a parish or a village there is a baker, a butcher, a smith, a carpenter, and a farmer, or, it may be, more than one of each trade. The parish is supplied with bread, with meat, with smith's work, with carpentering, with agricultural produce, partly by its own people, but partly also from neighbouring towns and villages. The baker prevails on the parish council to exclude from the

Illustration
from a pro-
tected and
self-sup-
porting
village.

parish the bakers' carts from the neighbouring towns, on the plea that if the bread is made dearer he will employ more journeymen bakers, more carts, more men. Then comes the butcher and says: "You are making bread dear for the baker; make meat dear for me." Then follows the smith and says: "You have made my food dear; give me the same advantage you have given the baker and butcher, and make the whole village or parish deal with me." The carpenter follows in the same strain. And finally the farmer says: "You have raised the price of my food, of my tools and implements, of my gates, my waggons, and my barns, the least you can do for me is to require that the village shall buy their corn, their milk, their potatoes, their beasts and their sheep at no hands but mine." We thus arrive at the ideal of the Protectionist—a self-supporting community in which prices are raised all round at everybody's expense. Will the result be that the village will be better off than before? that its production will be enlarged? that its employment of labour will be greater and better paid? And if the exact contrary would be the necessary result, why should the case of a nation be different?

Effects on
wages and
employ-
ment of a
tax on
corn.

One point more, by way of illustration. The inevitable result of a Protective policy will be, as we have seen, to come at last to a tax on agricultural produce, and it may be worth while to speculate for a moment concerning the effect on employment and wages which such a measure would have in this country, since it illustrates on a large and striking scale what the result of other Protective taxes would be in a minor and less striking degree. Assuming that the value of agricultural produce imported is about 130 millions a year, or one-third of our total consumption, one effect of excluding or greatly restricting this importation would be to raise the price of food for all the working classes to starvation point.

A second effect would be to compel these classes to spend almost all of their income on food, and to prevent them from buying manufactured goods, thus destroying the home market for our own manufactures.

A third would be to deprive us of the foreign market for manufactures now provided in the exchange for the

food which we import, thus further crippling our manufactures and further throwing our artisans out of work.

A fourth effect—the one desired by logical Protectionists—would be greatly to increase our agricultural industry ; to bring much waste and bad land into cultivation ; and very largely to increase the employment of agricultural labourers. But would this make them any the better off ? Far from it. The cost of their necessities of life would be increased in a much greater proportion than their wages. Nor would this be all. The labour thrown out of employment by the crippling of our manufactures and of our towns would be so large that the labour market would be overstocked, and the nominal as well as real wages of agricultural labourers, instead of increasing with the increase of agricultural employment, would in all probability be diminished. Scarcity would produce its natural results, and misery—even among the agricultural labourers—would be the consequence.

No one—not even Mr. James Lowther—contemplates any such step as the total exclusion of foreign food. But many contemplate steps which would lead to it ; and the measures they propose would produce similar results on a small scale and in a small degree. *Obsta principiis*. Do not in the supposed interests of labour take steps which must inevitably end in the degradation of labour.

CHAPTER XXVI.

PROTECTION FOR THE PURPOSE OF CHECKING A TOO EXCLUSIVE DEVELOPMENT OF AGRICULTURE IN YOUNG COUNTRIES.

THERE is one attitude of young Protectionist countries towards trade which remains to be considered—viz. that of those who admit that they are incurring economical loss by their policy, but who, notwithstanding, resolutely exclude foreign manufactures, on the ground that the culti-

Reasons
against
Protection
in young
countries.

vation of the soil and the export of raw produce are not by themselves industries sufficient to promote national progress ; and that it is the interest and business of the State to foster other forms of industry, in order the sooner and the better to form a completely developed society. These views are probably wrong ; for two reasons. First, because in a growing agricultural society, left to itself, trade and manufacture necessarily grow up as the wants of the society develop. The local baker, butcher, carpenter, blacksmith, are soon wanted to supply the wants of the successful tiller of the ground ; and other and more developed manufactures follow in due course, healthy and vigorous, because natural and necessary. Secondly, because, as all experience shows, Protection breeds Protection, and, once established, is most difficult to get rid of. Protection to one industry is an injury to another ; that industry claims Protection in its turn ; and so on, till all society is bound up in a vicious circle in which each industry has, or thinks it has, an interest opposed to the interests of the whole, and though, perhaps, well able to stand alone, resolutely refuses to be the first to give up its established privilege.

The desire to establish a variety of industries and to prevent the people from being mere producers of raw material to be worked up elsewhere was one of the main motives for the establishment of Protection in Victoria, where not only did it lead to constant increase of rates and widening of area never contemplated by its founders, but it also singularly failed in its main object. It is true that more hands are now employed in the factories than at the beginning of the Protective period, but in New South Wales, where manufacturing industry has developed itself in accordance with natural wants and under Free Trade conditions, the capital invested and the output are both greater than in the factories of protected Victoria. Some further comparisons between these two states are given on page 240.

Special
reasons
against Re-
taliation.

Right or wrong, however, the views to which I have referred deserve more attention than they commonly receive from us, and are less easy to answer than the ordinary Protectionist fallacies. But, right or wrong, Retaliation against this class of Protectionists is still more foolish than against others. Retaliation plays their game exactly ; it

is their professed object to force their own labour and capital out of its natural channel—the tilling of the soil—and to turn it artificially into the channels of manufacture. By refusing to take their raw produce we help them in effecting this object ; for we make their natural productions less valuable. So far from fearing Retaliation as an injury, they will accept it as a friend and an ally ; so far from being frightened into opening their ports to our manufactures by the refusal of their raw produce, they will hail that refusal as the complement of their own policy.

CHAPTER XXVII.

PROTECTION FOR THE PURPOSE OF DIVERTING INDUSTRY FROM AGRICULTURE TO MANUFACTURES IN IRELAND.

THE case of Ireland is a case to which similar reasoning applies. The Parnellite leaders have made no secret of their desire to impose Protective duties against English manufactured goods ; and, according to the reports in the newspapers, the Duke of Argyll is said to have given some countenance to the proposal.*

Protective
duties on
English
goods pro-
posed.

It is not surprising when we bear in mind the iniquitous and suicidal commercial policy of England towards Ireland in former times, that Irishmen, ill instructed and actuated by strong national feeling, should propose to follow our bad example. To them revenge in the shape of Retaliation may well appear to be justifiable ; whilst to reverse the action by which England deprived them of manufactures may appear the natural plan of recovering those manufactures. The economical weakness of Ireland is the dependence of too many persons on the one precarious industry of Irish agriculture. If the energies of any considerable number of her people could be diverted from their overcrowded and miserable plots of land to profitable

Plausibility
of the pro-
posal.

* See the speech of the Duke of Argyll, as reported in the *Times* of 11th June, 1886.

industries, such as those of Belfast, a great part of her difficulties would be removed. No wonder, then, that the feeling for national manufactures prevails. I have myself seen the shop windows in Dublin full of placards (very likely themselves printed in Manchester) professing that the goods sold in the shops were all of Irish make. I have travelled with an intelligent commercial traveller of a great Belfast house who fully believed that the north of Ireland imports coal from Cumberland solely because England forbids Irishmen to work their own Irish coal!

What
would be
the real
conse-
quences?

It is worth while, therefore, to consider what the effect of excluding English manufactures from Ireland would be. Ireland is not a large market for English manufactures. England is a large market for Irish cattle, sheep, pigs, butter, and fish. Most of the agricultural products of Ireland are consumed in England, and for these England pays, partly in foreign articles, such as corn, tea, sugar, and tobacco, partly in English manufactures. The statistics are unfortunately too imperfect to be of much use. But Mr. Giffen* estimates the whole agricultural exports of Ireland at about £16,000,000, and the whole of her exports, including agricultural exports, at about £21,000,000. Of her imports he suggests that about £15,000,000 is probably foreign produce, leaving not much more than £6,000,000 as the value of the produce of English industry taken by Ireland, of which about £2,000,000 is coal. It must be remembered that these figures are given by him as approximate estimates only, and not as accurate statements of facts. But any errors which there may be in them do not affect the principles involved. What then, under the above circumstances, would be the economical effect of excluding English manufactures from Ireland upon the Irish consumer, upon the Irish manufacturer, and upon the Irish agriculturist on the one hand, and upon the English consumer and the English manufacturer on the other?

The Irish consumer of English manufactured articles, of hardware goods, of textiles, would have to pay more for native goods, and would get them of worse quality.

* "The Economic Value of Ireland," *Nineteenth Century*, March, 1886, p. 339.

Irish manufactures would be stimulated to a certain extent, at the expense of the Irish consumer. But if English coal was excluded they would suffer, and the whole amount expended on them, reduced as it would probably be by increase of price, would be so small as to have very slight effect in promoting existing industries, or calling new industries into existence.

Irish farmers would suffer by a limitation of their market. England might possibly, though we will hope better things, be foolish enough to retaliate by a duty on Irish cattle; but even if she did not, the loss of a market for her manufactures in Ireland would *pro tanto* make it more difficult and more expensive for her to pay for Irish agricultural produce, and the Irish farmer would consequently get less for it. It would be a premium on business with his foreign competitor in the English market, and at this moment every one knows how formidable such competition is.

Then as regards the effect on England:—

The English consumer of agricultural produce would suffer by a diminished supply of Irish agricultural produce.

The English manufacturer would suffer by a diminished market for his goods.

But considering the numerous markets from which England draws her supplies, and the numerous foreign markets in which she sells her goods, and considering also how much larger is the proportion which the trade with England bears to the whole trade of Ireland, than that which the trade with Ireland bears to the whole trade of England, it is obvious that the economical losses arising from any such interference with trade as has been suggested would fall much more heavily on the weaker country. Both countries would suffer, but Ireland would suffer far the most.

Loss to both countries, but especially to Ireland.

Economically, therefore, there can be no doubt that any interruption of commercial intercourse such as would be effected by Irish duties on English produce would be injurious to all concerned, but most injurious to Ireland.

There is, indeed, another point of view in which economical results may be disregarded. It is the point of view of those who regard economical considerations as subordinate

It would
tend to
political
separation.

to political considerations, and who desire above all things a total separation between the two countries, so that Ireland may become an independent nation. There is no doubt that obstruction of commercial intercourse between the two countries would tend to forward these views; and those who hold them may therefore consistently sacrifice the economical welfare of the two countries for the purpose of forwarding such a consummation. But that those who wish to maintain the unity of the Empire should give countenance to any proposals for Protective duties on English manufactures imported into Ireland, is to me so wonderful as to be almost, if not quite, incredible.

Although there is a decided leaning on the part of many Irishmen towards Protection, the corn tax proposals of Mr. Chamberlain have one danger so obvious that they are likely to be rejected by Irish members on national grounds stronger than any other upon which they might be favoured. To tax corn would be to raise rents, and, consequently, the value of land, tending, therefore, to make owners unwilling to sell except at a high price, and doing much to nullify the probably greatly exaggerated hopes entertained of the Irish Land Purchase scheme, which is to restore the Irish land to the Irish people.

CHAPTER XXVIII.

ILLUSTRATION OF PRINCIPLE—ENGLISH TRADE BEFORE 1860.

Illustrations from
English
Trade before
1860.

HAVING, in Chapter XXI., stated the general principle of Free Traders, and having, in the four following chapters, dealt with some of the Protectionist objections to it, I will now try to illustrate its operation. But it is not an easy thing to prove any truth of this kind from statistics of actual facts, for it is very difficult to find a test case in which all the facts are known, and from which all foreign elements can be eliminated; but in the facts which have been so often cited by Free Traders we find an approach to an illustration if not to a proof.

From the time of the end of the great war in 1815 to

the time of Sir R. Peel's tariff reforms, England was first a Prohibitive and afterwards a Protectionist country. In 1842 the first great reductions of duty were made. In 1845 followed a further great reduction. In 1846 the Corn Law Bill was passed, and the corn duties came to an end in 1849. In the same year the navigation laws were repealed. In 1853 Mr. Gladstone's first Budget made large additional reductions, which were continued more or less in each successive year until 1860, when the reductions incidental to the French treaty brought our tariff to its present simple condition, with the exception of the repeal of the sugar duty, which took place in 1874.

The sugar duty was reimposed in 1901.

If, therefore, we can compare the period of Protection in England with the period of Free Trade which immediately followed Sir R. Peel's reforms, and if we find that after these reforms had taken effect, and before 1860, when the French treaty was made, there was a great burst of activity in England, we have some evidence that reduction of Protective duties in England alone, and without reduction on the part of other nations, resulted in a great increase of English trade, the effects of which are seen in the statistics of our exports.

Our statistics of exports of domestic produce, which are the only statistics on which we can rely for the earlier years of the century, afford such a test. These averaged per annum from—

English
Trade be-
fore 1860.

| | | |
|--------------|---------|--------------------|
| 1821 to 1825 | | about 37 millions. |
| 1826 to 1830 | | " 36 " |
| 1831 to 1835 | | " 40 " |
| 1836 to 1840 | | " 50 " |
| 1841 to 1845 | | " 54 " |
| 1846 to 1850 | | " 61 " |
| 1851 to 1855 | | " 89 " |
| 1856 to 1860 | | " 124 " |

thus showing a large and continuous increase as the successive instalments of Free Trade came into full operation. I am aware that there were many other important factors at work during this period, and those who wish to

see what can be said about them should turn to Mr. Gladstone's article in the *Nineteenth Century* of February, 1880. But the above figures show conclusively that an outburst of successful exportation was concurrent with the installation of a Free Trade policy in England, and with the maintenance of restrictive tariffs abroad.

CHAPTER XXIX.

TRADE GENERALLY SINCE 1860.

BUT it will be said in reply, "All this happened long ago, and many things have happened since then. Foreign nations have learned from us to manufacture and to rival us not only in their own markets but in the markets of the world. Protective tariffs in this state of things will be more dangerous to us than they ever were before, for we have not only the barriers of hostile tariffs to cross, but shall find within them rivals whom we cannot expect to beat. As a matter of fact, the trade of other nations has progressed as fast or faster than our own. The United States have the most Protective tariff in the world; but their trade, as measured by their exports and imports, and their general prosperity, has grown faster than our own. France, with her tariff less Protectionist than the United States, but still Protective in a high degree, is the marvel of the world in the way she has recovered from the crushing blows of the German war. Germany has not found her Protective tariff destroy her trade. The imports and exports of Canada have not diminished since she adopted her high duties, and Protectionist Victoria runs a fair race with Free Trade New South Wales. Above all, are not our exports diminishing while our imports are increasing? Have we not had the longest period of commercial depression ever known; and is there any reason for supposing that we shall so far recover from it as to attain again our former prosperity?"

Alleged
changes of
circum-
stances
since 1860.

English
Trade
since 1860.

To this I propose to reply at length in the following chapters. But in the first instance I wish to observe that it is a mistake to suppose that the world is, on the whole, more Protective than or even as Protective as it was. In the earlier part of this century nations were Prohibitive where they are now Protectionist. Prohibition pure and simple, common enough before 1860, scarcely exists now. Many countries—*e.g.*, Holland, Belgium, Norway and Sweden—have since 1860 adopted a policy approaching our own. Scarcely anywhere in Europe are tariffs now as high as they were before 1860. Many neutral markets are free. But, secondly, be the tariffs what they may, our freedom still gives us an advantage. We can and do export, even to the most Protectionist countries, manufactures which they are trying to keep out, and we must do so as long as they burden their own industries by a Protective system, and seek at the same time to sell their raw produce to us. In neutral markets, of which there must always be many, we have enormous advantages in our free tariff. Our materials come to us free, and our people live on untaxed food.

The World
not so Pro-
tective as it
was.

Let us also bear in mind that these human laws which we make so much of are but trifles in face of the great changes which are extending the borders of the nations, and bringing them together. Steam and electricity, the steamship, the railway, and the telegraph, the improvement of every part of production, including agriculture, the specialisation of these arts, and their distribution among different classes and peoples, the system of credit—all these things make the inter-dependence of different countries both more practicable and more necessary day by day; and the system of international commerce flows on, ever widening and deepening, in spite of the puny barriers by which the folly of man tries to check and impede its course. Mischievous they can do, but it is small compared with the magnificent results of the beneficent laws of Nature.

Human
laws only
one factor
in the great
result.

CHAPTER XXX.

WHAT FREE TRADE MEANS, AND WHAT IT CANNOT DO.

Free Trade
cannot
create ; it
can only
leave
Nature and
Man Free.

At the same time it must be remembered what Free Trade is, and what are its limits. It is merely the unshackling of powers which have an independent existence. It can produce nothing ; it can create no material substance in Nature ; it can beget no positive qualities in man. All it can do, and that all is not much, is to leave the powers of Nature and of man to produce whatever it is in them to produce unchecked by human restrictions. Free Trade cannot make the maize and the vine grow in England ; it cannot make our sands and clays yield wheat as freely as the virgin soil of the prairies ; it cannot endow the negro and the Hindoo with the ingenuity and thrift of the Frenchman, or the brain and arm of the Anglo-Saxon ; but it can insure that each shall be allowed to yield and do whatever it is best fitted for yielding and doing. Free Traders have been much to blame for attributing to Free Trade consequences which have probably arisen from many causes, and they are now paying the penalty of their exaggerations. It is idle to expect that England shall produce everything, or even that she shall have a monopoly of manufactures. Other countries have their own special advantages of soil, of climate, and of human character, laws, and habits, which will enable them to do many things better than England. The true test of the value of Free Trade to England, or to any other country, is not whether she is progressing faster, or even doing a larger trade than another, but whether she is doing better herself with Free Trade than she would do without it ; and whether, in her relation to other nations which are not Free Traders, she or they derive the greater benefit from their respective commercial systems. Tried by these tests, we need not fear the comparison.

True Test
of Free
Trade.

CHAPTER XXXI.

RELATION OF THE PROSPERITY OF OTHER NATIONS TO
OUR OWN.

BEFORE attempting to prove anything by facts and figures, let us be on our guard against a mistake, by which our Protectionist friends are constantly leading us into pitfalls. It is a very important and a very dangerous mistake, for it involves the very principle which lies at the bottom of the Free Trade controversy. To read Protectionist literature, one would imagine that no nation could thrive except at the expense of another; that trade, at any rate between nations, is a sort of betting or gambling game, where the gain of one is the loss of another. If the list of French exports grows as ours grows, still more if it increases by a percentage faster than our own, we are in danger. If the American export account appears to exceed our own, we are lost, and so on. Unless our sale list keeps far ahead of and grows faster than that of all other nations, we are losing our position, and dwindling among the races of mankind. But the truth is that trade is reciprocal: our trade cannot grow without making the trade of other nations grow too. Every act of trade is a sale by one man and a purchase by another, and every such sale and purchase involves a second purchase by the first man and sale by the last. Every act of trade is an act of barter—or, rather, one-half of an act of barter. Except in the case of transfers of goods made to pay existing debts, every sale by an Englishman to a Frenchman involves a sale direct or indirect by a Frenchman to an Englishman. Every English export to France involves a French import from England, a French export on account of England, and an English import on account of France. And the whole transaction is a gain to both traders and to both countries. An increase in the English export list, arising from the removal of our own restrictions, necessitates an equal and corresponding increase in the French export list; and the increase in the French exports, which follows the removal of

Our Trade
can only
grow by
making the
Trade of
other
Nations
grow too.

our restrictions, is the proof and consequence of an increase in English trade. We cannot do good to ourselves without doing good to our neighbour. Nay, if we are doing much the larger trade of the two, it may very well happen that by removing some artificial restrictions which we have placed on our trade with him, we may arrive at the result of increasing our neighbour's trade by a percentage on his trade greater than the percentage by which we increase our own—a catastrophe which excites the liveliest alarm in the minds of those who think the infant of two years lives faster than the youth of twenty, because in one year the infant has doubled his age, whilst the youth has added only one-twentieth to his.

It would be seen to be the height of absurdity if a manufacturer, a merchant, a farmer were to look on the prosperity of his customers as signs of his own decay. Conceive the village baker saying to the shoemaker, "You are making too much by my custom; you have enlarged your shop, you are taking an apprentice; you eat more of my bread, it is true, but I cannot bear to see you so rich. I shall do without shoes, and go barefoot, in order that your balance may be less at the end of the year." And yet this is the spirit in which we often look at foreign statistics. The very growth in them which we envy is often the necessary result of the increase of our trade, which again is the result of our own free policy. When we reduced our tariff between 1840 and 1860, we increased our own exports and imports; but we increased those of America and Germany and France at the same time.

Consequently, in comparing national statistics, the question is not whether we increase faster than or as fast as other nations, though this question may often be answered in the affirmative, but does our Free system enable us to do trade with other nations which we should not do without it, and does it enable us to do trade from which they cut themselves off by a system of Protection?

In saying that trade is necessarily a mutual benefit, I do not forget competition, or the partial and local suffering which it occasionally causes. Competition becomes wider, if not more severe, as communication extends. But competition is one form of a higher law, of which in this case

Folly of
supposing
our wealth
to consist
in the
poverty of
others.

Competi-
tion.

we can see the beneficent results, and which neither men nor nations can disregard with impunity. Free Trade cheerfully obeys this law ; *it has regard to sellers who want to sell what other people want to buy, and to buyers who want to buy what other people want to sell.* Protection discourages such buyers and sellers, and encourages instead of them, and at their expense, *the sellers who want to sell what nobody wants to buy.* If in the race of competition we were entirely thrown out ; if, whilst other nations were prospering, our forges were extinguished, our looms idle, our pauperism on the increase, and our consumption seriously diminishing, it would be time, not to reverse our policy, but to reconsider our position. But whilst the very opposite of this is the case, it is the height of folly to look with jealousy on the growing wealth of other nations who can sell what we want to buy, and buy what we want to sell.

CHAPTER XXXII.

COMPARISON OF STATISTICS OF TRADE OF DIFFERENT COUNTRIES.

LET us now take the case of one or two foreign countries, and see whether what we know of their trade is such as to make us fear that we are losing our hold on the markets of the world. In making any such comparison, two or three points must be remembered.

Comparison with other Nations.

First, as I have already pointed out, the increase of our own trade necessarily involves the increase of the trade of foreign countries. This must be so, whether they open their ports or not. If they reduce their duties contemporaneously with our reduction, their trade as well as our own will increase by so much the more ; if, not, it will increase, but not so much. It is therefore to be expected and desired that the trade of foreign nations should increase when our own increases, and such an increase is not so much taken from us, but so much in our favour.

Increase of our Trade means increase of Foreigners' Trade.

Manufactures the thing for us to compare.

Secondly, in comparing our own trade with that of other countries, it is common to take the whole exports of domestic produce as the test. But this is *nihil ad rem*, so far as our manufactures are concerned.

We export little or no food, and little or no raw produce of the soil. If we wish to see whether other nations are progressing faster than ourselves, or, which is the more material point, beating us out of the market, we ought to confine our attention to what we produce ourselves. I have, therefore, in the following figures endeavoured to do this in a rough way.

Even increased exports of domestic produce are no infallible test of progress. British imports might increase, through our drawing more of the interest due which is now re-invested abroad, while our exports remained stationary or absolutely decreased, and at the same time production and trade, owing to local consumption of locally made goods, might be more active than ever. Not the actual or comparative amount of exports, but the actual and comparative degree of wealth and comfort obtained by the people under a particular fiscal system, is the true test of its value. As a matter of fact, the years 1898 to 1902, between which German exports increased by nearly £50,000,000 per annum, were years of commercial depression and sore distress, while during the same years in the United Kingdom business activity, high wages, and increasing wealth were accompanied by a very small increase in our exports.

Our Statistics of Exports do not include Freight.

Thirdly, it must be remembered that the following figures, taken from our statistics of exports, do not include the unseen exports which we make in the shape of ships and freight. These are as much the produce of English skill and labour as our cottons or our woollens, and probably amount annually, as above stated, to more than 50 millions, one-sixth of our whole exports.*

The amount earned annually in freights by British ships is now estimated at about 90 millions.

We cannot keep all Manufactures.

Fourthly, even as regards manufactures, it ought to be no surprise to us that some nations are progressing faster than ourselves, or even competing with us in some articles in our own markets, if we hold our own as a whole.

* See Mr. Giffen's Essays in Finance, 2nd series, "Use of Import and Export Statistics," p. 171.

To hear people talk, one would think sometimes that we entertain the notion that we are to have a monopoly of manufacture, and are frightened if we see that any article which we make is successfully made in another country. Nothing can be more absurd. Providence has given us no monopoly of natural gifts, and the very essence of the Free Trade doctrine is that each country shall do what it can do best. It is not a loss, but a great gain to us, if France sends to the world, and to us among the rest, her tasteful stuffs, and if America provides us with her ingenious labour-saving machines. We have been the first in the field with the great metal and textile manufactures, and we are still first in general mechanical skill. But the probability is that other countries will by degrees follow us successfully in the older manufactures and in the coarser productions; and that we shall still continue to invent and to supply the world with the newer products of scientific manufacture. As some evidence that this is actually the case, I may quote the following passage from Mr. Newmarch's exhaustive address to the Statistical Society, contained in the Society's *Journal* of June, 1878, p. 211:—"Between 1856 and 1877 supplemental exports (viz. those not included under the great heads of Textiles; Sewed; Metals, Ceramics, etc.) increase threefold—viz. from 13 to 37 millions—and the proportion to the total exports rises from 11 to 19. The progression of the figures is rapid and large, and strongly suggestive of a vigorous and inventive trade in which the rapid appearance of new commodities is proportionally pressing open and enlarging the previous classifications and vocabularies." The supplemental list thus referred to contains, amongst a multitude of articles, biscuits, medicines, chemicals, painters' colours, musical instruments, telegraph materials, india-rubber and jute manufactures, etc. etc. To find that France, Germany, and America are making cotton and woollen goods for themselves and exporting them is what we must expect. The question we have to consider is, what is our manufacturing position compared with the manufacturing position of countries which have Protective systems, and whether such success as they have has accrued to them in consequence of their Protective systems, or in spite of them.

We supplement Trade which we lose by new Inventions.

English Trade compared with that of other nations.

In the first place I have appended tables (XVII. to XX.) showing in a comparative form the total imports and exports of the United Kingdom, of France, of Germany, and of the United States—as to Germany from 1872, and as to the other countries since 1854—taken from the evidence given by Mr. Giffen to the Royal Commission on the Depression of Trade. In looking at any figures of this kind, several points must be borne in mind. First, these statistics only give the foreign trade—*i.e.* the produce exchanged with foreign nations. They tell nothing about the produce of each country which is consumed at home. Secondly, the figures given are money values and not quantities; so that if, as is no doubt the case, there has been any rise in the value of money as compared with commodities, that change must be allowed for in comparing the figures for different periods. Consequently, the bulk and amount of the trade in all the tables is, at the present time, as compared with the trades of the earlier years, greater than the figures appear to show. Thirdly, the statistics of the different nations are not all procured and arranged on the same principles—*e.g.* in the United States statistics of imports the values given are the values at the port of shipment, whereas ours are taken at the port of delivery, which of course makes the United States import figure smaller by comparison. There are various other differences in the manner in which values are taken in different countries, that prevent the possibility of minute comparison. But these differences do not prevent the tables from being valuable for the purpose of showing the comparative progress of the trade of each country, and its fluctuations from time to time. In the case of Germany, however, there was a change in the mode of taking the statistics in 1879 which may possibly affect the comparison of later with previous years.

In addition to these general tables, I have had tables prepared (XXI. to XXIV., in the Appendix) in which the exports of the United Kingdom, France, Germany, and the United States are taken for two different periods, and are divided roughly into food, raw materials, and manufactures, so as to show, so far as it is possible to show by statistics, first, what is the amount of manufactures ex-

Distinction
between
food, raw
materials,
and manu-
factures.
Its neces-
sary inac-
curacy.

ported by each country ; secondly, what proportion that amount bears to its total exports ; and thirdly, how these proportions are progressing. I have said above that I do not myself rely on the distinctions commonly drawn between raw materials and manufactures, and that there is a great difficulty in drawing any satisfactory line of distinction between them. The distinctions contained in these tables do not therefore pretend to accuracy. No two persons would distribute the items in the same manner. Moreover, the statistical returns of each country are often classified according to its tariff, rather than according to more natural principles, and this causes additional confusion. I may mention, as an instance of the difficulty, the case of pig iron. It is here classed as a raw material, but it is the product of one of our most important manufactures, is one of our chief exports, and is highly protected in many foreign countries. However, I have taken the distinctions as made in tables which are already before the public ; and, generally speaking, it may be said that what are here included under manufactures are special objects of Protection in Protectionist countries.

As regards foreign countries, I have not carried the distinction between food, raw materials, and manufactures later than 1880. To work out the distinction on the same principles on which the English analysis is worked out is a laborious task, and it is, after all, as mentioned above, not satisfactory. To make it on any other principle, or to accept the distinction as made in foreign returns, would, for purposes of comparison, be useless and delusive.

CHAPTER XXXIII.

FOREIGN TRADE OF THE UNITED KINGDOM SINCE 1860.

THE statistics of the foreign trade of the United Kingdom, giving the value of the imports and exports and their amount per head of the population for each year, and for quinquennial periods since 1854, will be found in Table

Statistics.

XVII. in the Appendix. They may be summarised as follows :—

Taking quinquennial periods the annual averages are—

| Years. | Population in Millions. | Net Imports. | | Exports of Home Produce. | |
|--------|-------------------------|---------------------|------------------|--------------------------|------------------|
| | | Amount in Millions. | Per Head. | Amount in Millions. | Per Head. |
| 1855-9 | 29 | 146 | £ s. d. 5 3 7 | 116 | £ s. d. 4 2 4 |
| 1860-4 | 29 | 193 | 6 12 9 | 138 | 4 14 8 |
| 1865-9 | 30 | 237 | 7 16 3 | 181 | 5 19 0 |
| 1870-4 | 32 | 291 | 9 2 4 | 235 | 7 7 3 |
| 1875-9 | 34 | 320 | 9 10 4 | 202 | 6 0 0 |
| 1880-4 | 35 | 344 | 9 14 9 | 234 | 6 12 9 |
| 1885-9 | 36·6 | 318 | 8 14 2 | 226 | 6 3 8 |
| 1890-4 | 38·1 | 357 | 9 7 3 | 234 | 6 2 11 |
| 1895-9 | 40·0 | 393 | 9 17 2 | 239 | 5 19 5 |

And for each of the years 1880 to 1885 inclusive, and 1898 to 1902 inclusive—

| | | | | |
|----------------------------------|-----|--|-----|--|
| 1880 | 348 | | 223 | |
| 1881 | 334 | | 234 | |
| 1882 | 348 | | 242 | |
| 1883 | 362 | | 240 | |
| 1884 | 327 | | 233 | |
| 1885 (Population 36 millions) | 316 | | 213 | |
| 1898 | 410 | | 233 | |
| 1899 | 420 | | 264 | |
| 1900 | 460 | | 291 | |
| 1901 | 454 | | 280 | |
| 1902 (Population 42 millions) | 462 | | 283 | |

Taking quinquennial periods and remembering that we are dealing with values and not with quantities, there has been a constant increase in the imports; and if the exceptional years 1870-4 are excluded, a constant increase in the exports. Taking the last five years there was a

slight falling off in the value of imports in 1884, and of exports in 1883 and 1884. This falling off continued in 1885. In the meantime the population had increased by eight millions, or by nearly one-third; and the increased population are living in far greater comfort, so far as regards necessities of life, than the smaller population of 1855-9. It is obvious that this must be due to their foreign trade, since the country itself produces little, if any, more food than in 1855-9. To keep 36 millions of hungry, vigorous souls in much better health and strength and comfort than 28 millions were kept in 30 years ago is, if we will consider it, no small achievement.

Effect of
Foreign
Trade in
feeding
increased
numbers.

As I write I come upon the following passage in a letter from one of the highest living authorities,* describing what our foreign trade has done for our people. After all it is in what people get, and not in what they give for it, that their real wealth and well-being consists; and it is by the abundance of those things which poor as well as rich consume that the real prosperity of a country must be tested:—

“The supply of wheat and flour, home and foreign, in 1851 gave 317 lb. per annum to each of a population of 27 millions, which, at the average price of the previous ten years of Protective duties, amounted to £53,500,000. But the total supply of 1885 gave 400 lb. per head to a population of 36 millions, at a cost of £43,700,000. Not only was our people, 8½ millions increased in number, fed with bread at a diminished cost of 10 millions sterling, but each individual had an additional supply of one-fourth beyond that of 1851.

It is not quite easy to see how Sir James Caird arrived at his figures. Taking the total amount of home-grown wheat plus the total amount of wheat, flour, and meal imported, and expressing the meal and flour in terms of wheat, gives a total of 385 lbs. per person, when divided by the population of 36,000,000. This is on the data given by the Statistical Abstract, and assuming a bushel to contain 60 lbs. Calculating upon the same basis for 1901 we find that the wheat supply per inhabitant, with a population of 41,457,000 was 350 lbs. per head. As, however, in neither case was the whole or

* Letter from Sir James Caird, in the *Times* of July 5th, 1885.

anything like the whole of this used for home consumption, the figures do not give any reliable information as to the amount of bread used by the people.

"The supply of animal food in 1885, as compared with 1851, increased in still larger proportion. The quantity to each individual of the increased population was 115 lb. per head for the year 1885, as compared with 90 lb. per head in 1851. This is an increase of nearly one-third to the supply of each person, the main part of which increase has come from foreign countries. A result so beneficial in the supply of bread and meat to our ever-increasing population must render any return to Protective duties on food in this kingdom impossible."

Exports
analysed.

As regards the exports of domestic produce, distinguished into food, raw materials, and manufactures, the figures will be found in Table XXI. in the Appendix. They may be summarised as follows :—

EXPORTS OF DOMESTIC PRODUCE FROM UNITED KINGDOM.*

| | Amount, in Thousands of Pounds. | | | Percentage of Total. | | |
|------------------|---------------------------------|---------|---------|----------------------|-------|-------|
| | 1870. | 1880. | 1884. | 1870. | 1880. | 1884. |
| Food | £ 7,607 | £ 8,825 | £ 9,490 | 4 | 4 | 4 |
| Raw Materials . | 13,744 | 23,272 | 22,232 | 7 | 10 | 10 |
| Manufactures . . | 178,236 | 190,963 | 201,303 | 89 | 86 | 86 |
| Total . . . | 199,587 | 223,060 | 233,025 | 100 | 100 | 100 |

| | 1890. | 1900. | 1902. | 1890. | 1900. | 1902. |
|------------------|----------|----------|----------|-------|-------|-------|
| Food | £ 11,259 | £ 13,622 | £ 15,514 | 4 | 4 | 5 |
| Raw Materials . | 22,403 | 42,781 | 31,008 | 9 | 15 | 18 |
| Manufactures . . | 229,869 | 234,789 | 216,902 | 87 | 81 | 77 |
| Total . . . | 263,531 | 291,192 | 263,424 | 100 | 100 | 100 |

* See Table XXI., in Appendix, for the details.

CHAPTER XXXIV.

FOREIGN TRADE OF FRANCE.

THE statistics of the foreign trade of France, giving in the same way the value of the imports and exports, and the amount per head of the population for each year and for quinquennial periods since 1854, will be found in Table XVIII. in the Appendix. They may be summarised as follows :—

Statistics.

Taking quinquennial periods the annual averages are :—

| Years. | Population in Millions. | Imports (<i>special</i>). | | Exports (<i>special</i>). | |
|--------|-------------------------|-----------------------------|-------------------|-----------------------------|-------------------|
| | | Amount in Millions. | Per Head. | Amount in Millions. | Per Head. |
| 1855-9 | 36 | 69 | £ s. d. 1 18 4 | 76 | £ s. d. 2 1 11 |
| 1860-4 | 37 | 92 | 2 9 1 | 96 | 2 11 4 |
| 1865-9 | 38 | 119 | 3 2 8 | 120 | 3 2 11 |
| 1870-4 | 36 | 137 | 3 15 8 | 135 | 3 15 0 |
| 1875-9 | 37 | 160 | 4 6 7 | 138 | 3 14 11 |
| 1880-4 | 37 | 191 | 5 1 4 | 138 | 3 13 5 |
| 1885-9 | 38 | 167 | 4 6 10 | 133 | 3 9 3 |
| 1890-4 | 38 | 169 | 4 8 0 | 137 | 3 11 4 |
| 1895-9 | 38 | 164 | 4 5 0 | 144 | 3 14 11 |

And for each of the following years :—

| Years. | Imports (<i>special</i>). | | Exports (<i>special</i>). | |
|--------|-----------------------------|--|-----------------------------|--|
| | £ millions | | £ millions. | |
| 1880 | 201 | | 139 | |
| 1881 | 195 | | 142 | |
| 1882 | 193 | | 143 | |
| 1883 | 192 | | 138 | |
| 1884 | 174 | | 129 | |
| 1898 | 179 | | 140 | |
| 1899 | 181 | | 166 | |
| 1900 | 188 | | 164 | |
| 1901 | 175 | | 161 | |
| 1902 | 176 | | 170 | |

In 1902 the trade per head of France and the United Kingdom, reckoning among exports only those which were the produce of the respective countries, was :

| | £ | s. | d. |
|-----------------------|----|----|----|
| France | 8 | 17 | 7 |
| United Kingdom | 19 | 6 | 11 |

These figures in themselves, however, are quite misleading, since they take no account of some £90 millions earned by British shipping, earnings which represent "export of services," to say nothing of other exports of services. The sea-carriage of goods is an essential and most important part of the trade of this country, employing much capital and energy which are necessarily not available for other purposes.

Comparison with English Trade.

Here again imports have increased in each successive quinquennial period, and exports have also increased. There is a remarkable difference from the English figures in the fact that the imports did not exceed the exports in the earlier years. They began to do so in 1867, but the exports began again to exceed the imports in 1872, the year in which France was beginning to pay the German indemnity, and continued to exceed the imports until 1876. Since 1876, the imports have largely exceeded the exports. During the five years ending with 1884 English trade has held its own better than French trade; nor does it appear that English trade with France has fallen off in these years more than the trade of other countries, or that English goods are displaced from the French market. The trade per head of France has increased faster than the trade per head of England, but is still about one-half this amount. But during the period embraced in this table, the population of the United Kingdom has increased, as we have seen, by nearly one-third, whilst the population of France has remained nearly stationary, partly, no doubt, in consequence of the loss of Alsace, but also from other causes. In comparing the aggregate trade and the trade per head of the two countries this fact must be borne in mind. It is important as showing how much more the foreign trade of England has done for England than the trade of France has done for France.

Our direct imports from France, as is well known, exceed our direct exports to France, and this they do by an

amount which exceeds anything due to us for freight and profit. But whatever the explanation of this excess may be, the proportion borne by exported British produce to French imports has increased rather than diminished since the French Treaty, whilst the actual amount of English produce exported has tripled, thus showing that the excess of imports is not due to the character of the Treaty tariffs. The figures are as follows :—

Imports and Exports from and to France before and since Treaty.

| Average of Three Years. | Imports from France. | British Produce exported to France. | Re-Exports to France. | Total Exports to France. |
|-------------------------|----------------------|-------------------------------------|-----------------------|--------------------------|
| 1857—1859 . | 14 millions. | 5 millions. | 5 millions. | 10 millions. |
| 1878—1880 . | 40 „ | 15 „ | 12 „ | 27 „ |
| 1881—1883 . | 39 „ | 17 „ | 12 „ | 29 „ |
| 1884—1886 . | 36 „ | 15 „ | 8 „ | 23 „ |
| 1887—1889 . | 41 „ | 14 „ | 8 „ | 22 „ |
| 1890—1892 . | 44 „ | 16 „ | 7 „ | 23 „ |
| 1893—1895 . | 44 „ | 14 „ | 6 „ | 20 „ |
| 1896—1898 . | 51 „ | 14 „ | 6 „ | 20 „ |
| 1899—1901 . | 53 „ | 17 „ | 7 „ | 24 „ |
| 1902 . | 51 „ | 15 „ | 7 „ | 22 „ |

The total exports from France, distinguishing food, raw materials, and manufactures, according to the French statistics for 1869, the year before the war, and for 1879, may be distinguished as follows :—

Exports from France in 1869 and 1879.

EXPORTS OF DOMESTIC PRODUCE FROM FRANCE.*

| | Amount in Thousands of Pounds. | | Percentage. | |
|------------------------|--------------------------------|----------|-------------|-------|
| | 1869. | 1879. | 1869. | 1879. |
| Food | £ 34,017 | £ 33,159 | 27·0 | 26·0 |
| Raw Material | 21,482 | 25,210 | 17·0 | 19·8 |
| Manufactures | 70,504 | 69,515 | 56·0 | 54·2 |
| Total | 126,003 | 127,884 | 100 | 100 |

* See Table XXII., in Appendix, for the details.

The figures for the three years 1889, 1899, 1900, are as follows:—

| | Amount in Millions of £. | | | Percentage. | | |
|------------------------|--------------------------|-------|-------|-------------|-------|-------|
| | 1889. | 1899. | 1900. | 1889. | 1899. | 1900. |
| Food | 33'5 | 27'0 | 30'8 | 22'6 | 16'2 | 18'7 |
| Raw Material | 41'9 | 53'1 | 47'5 | 29'0 | 32'0 | 28'9 |
| Manufactures | 72'7 | 86'0 | 86'0 | 48'4 | 51'8 | 52'4 |
| Total | 148'1 | 166'1 | 164'3 | 100 | 100 | 100 |

The value of manufactures exported from France therefore actually decreased in the decade ending with 1879, and its proportion to the value of food and raw materials exported decreased also, whilst the whole exports remained about the same. In fact, the trade has been stationary, whilst the English trade has largely increased, as shown above. If to the above list of exports we were to add shipping and freights, we should find that the exports of England have increased much faster than those of France.

For the excess of imports to this country which has increased, various reasons have been suggested which may be summarised thus:—the crediting to France of goods which the French figures show to be merely in transit from Italy, Switzerland, or elsewhere; difference in valuation between goods valued at port of entry and port of shipment; the payment of interest on loans to, or investments in, France; earnings of British ships; and the indirect settlement of international accounts, *e.g.* France imports about £5,000,000 more from both China and India than she exports thither, while England exports to both these countries far more than she takes from them.

Duties
imposed by
France on
Articles
used in
Manufac-
ture.

Half the articles on which duties are imposed by the French tariff are articles to be used solely or principally in further manufactures—*e.g.* yarns of all kinds, cotton, silk and woollen, unbleached cloths, combed wool, iron and steel of all kinds, copper sheets and wire, coal, alkali, salt, tiles and bricks, and leather; whilst amongst all the rest are articles which conduce not less materially if less directly to production, by improving the condition of the workman, or by facilitating the conduct of business. I might go

through most of them, and show how France manages by imposing a Protective duty to countervail her own natural advantages of soil, climate, and human character, or to enhance her natural difficulties; whilst freedom from the weight of duties in our case enables us to take advantage of her deficiencies.

I have elsewhere* referred to the duties France has lately imposed on agricultural products, on corn, flour, beasts, and meat, thus raising the cost of living to the artisan, and showing that if a nation begins by protecting manufactures it must end by protecting food. I have also in a subsequent chapter† made special reference to the present depression as it affects France. The special cases of leather, silk, sugar, and shipping I have also noticed more particularly below.‡

CHAPTER XXXV.

GERMAN TRADE IN RECENT YEARS.

THE excellent reports recently made by our Ministers and Consuls upon the trade of Germany give us much valuable information and enable us to supplement the statistics.§ The case is full of interest and also full of warnings. It contains a warning to those Free Traders who have been unwise enough to attribute our commercial prosperity to Free Trade alone, and who have been content to rest the case against Protection on this argument. It is an undoubted fact that German manufactures, both for home consumption and for export, have largely increased during the last five or six years; and that this increase has been coincident with the adoption of a Protectionist policy. It contains a warning to our own manufacturers, whether

Official
Reports
full of
interest
and
warning.

* See Chapters XXV. and LI.

† See Chapter XLI.

‡ See Chapters XLVI.-XLVIII.

§ See Part II. of Second Report of Committee on Depression of Trade, c. 4715, i., pp. 157 to 199; also Mr. Strachey's Report on the Effect of the German Tariff, c. 4530 (1885), pp. 1 to 75.

capitalists or labourers, that if they wish to compete successfully with Germans, not only in German but in neutral markets, they must not fall behind the Germans in technical education, in thrift, in industry, in pushing powers, and in readiness to learn and meet the wants of customers. It contains a warning to inquirers on this subject that in considering whether depression exists, they must go beyond the word depression and find out what it means, and that they must not mistake growing exports for successful trade. On this point I have dealt more fully below. Lastly, it contains a further warning to inquirers that in reading and drawing conclusions from the published statistics of trade between the two countries, or from the official reports, valuable as both are, great caution must be exercised. For instance, statistics of export from this country to Hamburg comprise goods not meant for Hamburg or Germany, as there are no means of distinguishing goods intended for consumption in Germany from goods in transit; and statistics of trade to or from Germany may appear under the head of Belgian or Dutch exports or imports—as much of the trade of Germany goes through Belgium or Holland. And if statistics need accurate interpretation, official reports must not always be taken for gospel. Thus, for instance, Mr. Mulvany, our Consul at Düsseldorf, to whose practical knowledge Mr. Scott, the Consul-General, bears ample testimony,* is of opinion that the welfare of the working classes in Germany has improved immensely, owing to the wise policy of the German Government in giving up Free Trade; that landowners and farmers have suffered by the low price of foreign imports that it is fortunate for Germany that American bacon has been all but prohibited, and that the value of land will soon be quite re-established by moderate Protective tariffs. Such an opinion from a British Consul would seem to deserve attention. But when we find that Mr. Mulvany is the son of an Irishman who has set up successful iron-works in Germany, and who has been a strong promoter of the import duties by which those iron-works are protected from English competition,† we cease to attach so

* App. Part II. to Second Report of Committee on Depression of Trade, pp. 170, 171.

† Ditto, p. 171.

much value to his report. Nor is it only in matters of opinion that caution is necessary. For instance, Mr. Strachey, Her Majesty's Chargé d'Affaires at Dresden, whose valuable report on the effect of the German tariff* would be even more useful than it is if attention were less distracted from its substance by the ambitious brilliancy of its style, rejects with scorn the suggestion that the German Government favours German exporters by charging them lower freights than are charged on imported goods.† But, on the other hand, we find in the synopsis of answers from the Consuls,‡ statements as the following, positive statements, that "Reduced rates are given for through freight of certain goods to certain ports on the North Sea"; "Differential freights have been established favouring exports of coal, salt, spirits, etc."; "Low freights are given on State railways to German coal, etc. etc."—statements I may add, which are amply confirmed by reports from other sources.

The history of German trade during the last twenty years may be shortly stated as follows §:—Before 1866 Germany was a patchwork of different States, and exported agricultural produce. Between 1866, the year of the Austrian war, and 1869, her manufacturing industry was largely developed, and her agricultural imports came to exceed her exports. After the French war in 1870 German unity was confirmed and extended; the national spirit was further awakened; the industries of Alsace and Lorraine were added to the commercial resources of the Empire; internal barriers were removed; coinage, weights, and measures were reformed; the railway system was revised and consolidated; a new commercial code was passed; two hundred millions sterling was passed into the country by France in payment of the indemnity; and German trade received an unprecedented stimulus. The consequence was an immense development not only of sound enterprise but of wild speculation, followed, in

History of
German
Trade.

* Parl. Paper, c. 4530 (1885), p. 1.

† Appendix to Part II. of Second Report on "Depression of Trade," Mr. Scott's Report, p. 194.

‡ Ditto, p. 187.

§ Ditto, p. 158. See also Mr. Strachey's Report, Parl. Paper, c. 4530 (1885).

1874-8, by the inevitable collapse. During this period Free Trade was in the ascendant, and it is probably a misfortune that in 1877, just as the collapse was becoming acute, such duties as remained were further reduced. During this period of Free Trade the iron manufacture and exports rose rapidly, while imports of iron fell off.* The collapse in prices led to a cry for Protection. In 1878 an Imperial Commission was appointed to consider the subject, and the Protectionist tariff of 1879 was the consequence. It is right to add that this tariff was not entirely due to the demand for Protection. The German Government was in need of revenue, and, owing to the peculiar constitution of the Empire, it was difficult to raise it except by indirect taxation. After the adoption of this tariff came the temporary revival of 1879-1880, which was felt in Germany as well as elsewhere, followed in later years by a period of large business but low prices. The tendency to Protection is still in the ascendant and seems to be growing in strength. Though there is a strong party in favour of Free Trade, the Protectionists have the upper hand. Article after article has been protected; the tariff of 1885 is much higher than that of 1879, and it includes a heavy tax on foreign corn. Protection has followed its usual course. Each step has made a further step unavoidable, until at last the food of the people, the prime necessary of industrial life, and formerly an article of export, is made dearer and scarcer by a heavy import duty.

Statistics of
German
Trade.

If we ask what has been the state of trade and manufacture during these years, and what it is now, we receive answers which show a large increase of business. The statistics of German trade can, as above stated, only be given since 1872, and changes in them, which were made in 1879, render the comparison of previous with subsequent years less satisfactory than it would otherwise be. Such as they are, the figures are given in the table, No. XX. in the Appendix.

Taking a period of three years from 1872, and quinquennial periods subsequently, the figures for Germany are as follows :—

* Strachey, c. 4530 (1885), p. 4.

| Annual Average. | Population in Millions. | Imports (<i>special</i>). | | Exports (<i>special</i>). | |
|-----------------|-------------------------|-----------------------------|------------------|-----------------------------|-------------------|
| | | Amount in Million £. | Per Head. | Amount in Million £. | Per Head. |
| 1872-4 | 41 | 177 | £ s. d. 4 6 3 | 116 | £ s. d. 2 16 7 |
| 1875-9 | 42 | 184 | 4 6 1 | 135 | 3 3 0 |
| 1880-4 | 45 | 154 | 3 8 3 | 155 | 3 8 8 |
| 1885-9 | 47 | 163 | 3 9 5 | 158 | 3 5 6 |
| 1890-4 | 49 | 202 | 4 2 2 | 155 | 3 2 9 |
| 1894-9 | 52 | 237 | 4 10 7 | 184 | 3 10 7 |

And for the following years :—

| Years. | Imports (<i>special</i>). | | Exports (<i>special</i>). | |
|--------|-----------------------------|--|-----------------------------|--|
| | £ million. | | £ million. | |
| 1880 | 141 | | 145 | |
| 1881 | 148 | | 149 | |
| 1882 | 156 | | 160 | |
| 1883 | 163 | | 164 | |
| 1884 | 163 | | 160 | |
| 1898 | 254 | | 188 | |
| 1899 | 274 | | 210 | |
| 1900 | 288 | | 231 | |
| 1901 | 279 | | 222 | |
| 1902 | 282 | | 234 | |

Since 1872 our own imports have increased faster than those of Germany, but her exports have increased faster and more than ours. During the last five years both her imports and exports have held their own better than ours, and better than those of France. The imports of Germany were larger from 1872 to 1879 than they have since been : her exports steadily increased from 1872 to 1883. From 1872 to 1879 her imports largely exceeded her exports ; from 1880 onwards her exports and imports have been nearly equal. The excess of imports in the earlier years is probably due to the payment of the French indemnity. The absence of any such excess in more recent years is very remarkable when considered in connection with the further facts to which I shall have to call attention.

Germany has again a very considerable excess of imports dating from 1888, and amounting in 1901 to nearly £59,000,000.

During the period embraced in these returns we find that there has been an immense development of manufacturing industry, which is still progressing. The general export figures are given above. The production of pig iron in Germany increased from two and a quarter millions of tons in 1873 to upwards of three millions and a half in 1884, whilst in the United Kingdom it increased in the same time from upwards of six millions and a half to seven millions and a half.* The returns for Great Britain in 1884, as compared with 1883, show a decrease of production of iron, whilst those for Germany show an increase.†

The average production of pig iron for the years 1896-1900 was for the United Kingdom 8·9 million tons, and for Germany 7·4 million tons; of raw cotton Germany imported 790 million cwt. in 1900.

The net imports of raw cotton‡ into Germany increased from upwards of 2¼ million cwt. in 1877 to upwards of three million cwt. in 1884. The net imports of raw jute increased from 236,000 cwt. in 1877 to 668,000 cwt. in 1884. Meanwhile the exports of woven goods increased, whilst the imports diminished. The same thing is true of many, if not most, other articles. As regards British trade with Germany the aggregate has increased, but its proportion to the whole trade of Germany has decreased.§ British manufactured articles have been displaced in Germany by German products, more especially in iron, in textiles, in chemicals,|| and in cheap glass and pottery.¶ German goods are rivalling English goods in neutral markets, and are being sold in our own. They are being imported to England, and some are re-exported as English goods. The Germans rival us successfully in cheapness, though not generally in excellence. Nor are we alone. French imports into Germany have suffered more by German competition than our own.

As between 1880-84 and 1896-1900 German imports to England increased by £3,702,000, or nearly 15 per cent. A decrease in the imports to the extent of £1,558,000 worth of live animals for the meat market was occasioned by the Board of Agriculture prohibiting these imports, and an increase of £3,349,000 worth of sugar resulted

* Strachey, c. 4530, p. 8.

† Ditto, p. 7.

‡ Ditto, p. 47.

§ Scott, c. 4715, i., p. 160. || Ditto, p. 160, ¶ Strachey, c. 4530, pp. 63-65.

from the sugar bounties. Balancing these special increases against these special decreases, the Board of Trade memorandum shows an ordinary increase of £1,911,000 in direct imports from Germany. There were increases in the imports of cottons and woollens. Of the former our average imports for 1896-1900 from Germany were £678,000, and in the same years our average cotton exports to all countries were £58,000,000, while of woollens we took from Germany £1,048,000 worth, and exported to all countries £15,700,000 worth. Of iron and steel manufactures, including machinery and cycles, our average imports from Germany were worth £891,000, and our exports locally manufactured were worth £49,000,000. Thus it is clear that, though Germany has gained some footing in our market, she has not ruined British industry in the articles of which we buy some German specimens.

As regards the recent period of depression, it appears that since 1882 large concerns have been increasing their business, whilst smaller concerns are still unable to make way against difficulties. When the question is asked whether there is depression at present, it must be answered by another—viz. what is meant by depression? If by depression is meant diminution in the volume of business, it cannot be said to exist, except perhaps in particular trades and in particular places. At Königsberg, Memel, and Breslau the loss of the grain trade has caused loss of business. Sugar, iron, chemicals, and shipping are all suffering everywhere from glut and over-production, and it would seem that business in these articles is contracting. But, speaking generally, the mass of articles produced, consumed, and exported is large; employment is brisk, and wages are comparatively high.*

Depression
in Ger-
many.

These statements show that German powers of production have made immense advances within the last twenty years, and that in the last five or six years they have not been more crippled or restricted than our own. If we were to treat a policy of Free Trade on the one hand, or Protection on the other, as the sole cause of commercial prosperity, these statements would afford a strong argument against Free Trade. But the policy of legislative interference with trade is only one of many factors. We have, for instance, in these reports, a number of other

Advance in
German
Trade and
its causes.

* Scott, c. 4715, i., p. 159.

considerations insisted upon, which are quite sufficient to account for the development of German trade. I can only mention them shortly, referring to the reports for greater detail. They are :—

1st. The energy thrown into business by the accomplishment of national unity and the development of the national spirit. This has been the motive-power of every other change.

2nd. The unification and improvement of laws, of weights and measures, of coinage.

3rd. The excellence and cheapness of internal carriage by land and water. The purchase of German railways by the State, facilitated by the French indemnity, has enabled the Government to reform and lower railway rates.

4th. The absence of strikes and agitation among workmen.

5th. The rate of wages, which, though much higher than it was, is still lower than the English rate.

The *Melbourne Age*—most rabid and most influential of Colonial Protectionist newspapers—sees ruin to English industries in the high wages of her working men under Free Trade, and on April 22nd, 1901, wrote thus : “ And the outlook for the future is anything but reassuring. The cost of the production of all descriptions of manufactured goods has largely increased of late in the United Kingdom, owing to the advance of the wages that have to be paid to workers and to the amelioration in labour conditions resulting from recent legislation.” The *Age* quotes very striking figures from the report of the Board of Trade as to the rise of wages in 1898, 1899, and 1900, going on to moralise as follows : “ When allowance is made for the shorter hours of labour in addition to the increased wages, it will be readily understood that the difficulties of the manufacturers of Great Britain in their competition with the protected foreigner have been materially increased. The important point is, What steps should be taken to meet this crisis ? ”

The *Age's* answer to its own question is, Impose Protection and reduce wages. Without this step, however, British manufacturers seem to be surmounting their difficulties, and the first half of 1903 shows a record export of manufactured goods, their value for the six months being £116,364,792, as against £115,900,000 for the corresponding period of 1900, which was the best half-year until 1903.

6th. The prevalence of thrift and industry amongst employers and employed.

7th. The excellence of the technical education given in the public schools.

Last, but by no means least, the pains and skill evinced by German traders in pushing their wares and in adapting their goods to the wants of their customers. Their agents are ubiquitous, and their efforts in search of custom as incessant as they are ingenious and varied.

On this point Mr. Scott's remarks are well worth the attention of English manufacturers. He is speaking of the German market, but what he says is equally true of other markets. Our representatives in all parts of the world are unanimous on this point. He says: "It seems to be a subject of very general complaint that English producers are imperfectly acquainted with the requirements of the German market, and unwilling to alter their standard of supply to meet them; they are said to be entirely dependent on the middleman for this very requisite information; and the English dealer, on his side, is believed not to have as yet realised the fact that the day has gone by when the German consumer was content to take the supply which the English dealer thought the best for him; that the German market has now got a standard of its own, and one not to be despised, which native producers are quite able to attain to. If, therefore, British producers think the German market worth supplying, they should make greater efforts to ascertain the exact nature of the German demand more directly and promptly than they do at present, and be prepared with a suitable supply of goods."*

In short, the German manufacturer seems to neglect no means of pushing the sale of his own goods and ousting his rivals. It is by the legitimate means of thrift, skill, and industry that his real successes are won. But he does not neglect less legitimate methods. Thus we are told that he copies his rivals' designs, and that he appropriates his trade marks. He exports pig iron marked "English Foundry No. 3," and so-called "Low Moor Plates."† He makes German cutlery and sends it to England to be re-exported to America with English trade marks.‡ He

* Scott, c. 4715, i., p. 161.

† Strachey, c. 4530, p. 16.

‡ Ditto.

makes surgical instruments, sends them to England, and re-imports them with English names.* He makes "genuine" Leicester articles in Germany, and exports them to England with English labels.† The inferior German writing paper is made with English water-marks.‡ German potters copy our best makers, bring out scamped facsimiles at half our price, and export largely, competing with us by this means both in our own and in the American markets.§ German candles are inferior to English, but they are labelled "candles" or "fine candles," and are made up in English pounds.|| Birmingham, it is true, follows suit in imitating Berlin, but is, in Germany, promptly repressed by German law.¶

Such practices make it sound strange to hear that a habit is growing in Germany of treating competition "not as a legitimate and indeed essential wheel of the great industrial machine, but as a malignant force of modern depravity which is the peculiar resort of capitalists, Jews, and English manufacturers." It is odd enough to hear such terms as "an infamous breach of honesty," "piracy," and the like, applied to successful trade competition by a foolish Socialist professor, but to hear them applied to the importation of Nottingham thread by a German thread-maker is indeed amusing! **

With all these factors at work, the Protective tariff of Germany is but a small thing in comparison with other factors, more especially if it is remembered that, bad as it is and much as it is growing, it is very far indeed from being prohibitory. Indeed, there is in the want of indirect revenue felt by the German Government a guarantee that Protection will never be carried to the extent of prohibition.

As regards the actual effect of the German Protective tariff, it is extremely difficult to disentangle different causes and effects, so as to trace its operation with any degree of certainty. But there are certain features in the accounts we have of German trade which point to the conclusion that Protection has in Germany, as elsewhere, been both useless and mischievous.

* Strachey, c. 4530, p. 13. † Ditto, p. 23. ‡ Ditto, p. 62. § Ditto, pp. 63-64.
 || Ditto, p. 53. ¶ Ditto, p. 58. ** Ditto, pp. 23, 24.

In the first place, it seems clear, as a matter of history, that whilst the moderate Protection given by the tariff has fostered some forms of industry into a quicker development than they would have attained without it, it has not been the sole or a chief, or indeed an important, factor in developing German manufacture generally. From Mr. Strachey's very interesting report it appears that during the years prior to 1879, in which the Empire was progressing towards Free Trade in iron, and during the years in which Free Trade was an accomplished fact,* the iron industry of Germany, perhaps the most important of all, was rising rapidly in importance; that the iron exports were increasing, and that they were entering into serious competition with the produce of England and of Belgium, whilst at the same time the imports were decreasing. The crisis which followed this growth, and which was the origin of the Protective tariff, was common to the whole world. As Mr. Strachey tells us, the iron duties were repealed when the great cosmic crisis which followed the German struggle with France was in its acutest phase, and they were reimposed just as the bottom was reached. Thus the adoption of the tariff of 1879 was coincident with the beginning of recovery, and it is impossible to distinguish between the effects derived from Protection and the development due to the natural vitality of the iron trade.

Again, as to textiles, Mr. Strachey tells us that in 1878, just before the date of the Protective tariff, it was proved, before an Imperial Committee, that in most of the leading staples native German industry commanded the home markets; that Germany had as good as no import of the articles which constitute the bulk of the cotton manufacture, and that there was a large and growing export.† So with knitted fabrics, the success of Chemnitz over Nottingham is not due to the tariff.‡ As regards woollen goods, we find that in the period which preceded 1879 the German weavers were to a great extent masters of the home market in woollens and worsteds.§ As regards linens again, English manufactures, before the tariff of 1879, scarcely entered Germany, and there was a large export of

* Strachey, c. 453a, p. 4.

† Ditto, p. 21.

‡ Ditto, p. 23.

§ Ditto, p. 31.

German linen.* In these cases the new tariff merely accelerated the process which was already going on. Upon jute manufacture it had a greater effect.† The great success of Germany in mixed silk goods is due to their skill and not to the tariff; ‡ whilst their victory over Lyons, so far as it is due to legislation, is owing, not to the German Protective duty on German silks, but to the high Protective duty which France has imposed on foreign cotton yarns. So far as the German tariff is concerned, it checks its own silk manufacture by a similar duty, but one of lower amount. Chemicals, again, in which Germany has been especially successful, receive little Protection and some hindrance from the tariff.§ Her large manufactures of leather, wood, paper, pottery, and glass owe little or nothing to it.||

In short, it is clear that German manufacturing industry generally was making great progress under a system of Free Trade; and that the utmost that can be claimed for Protection is to have given additional stimulus to some branches of it. Cotton spinning appears to be an interest which has benefited more than most by Protection,¶ and we shall see presently what the effect of this benefit is on other industries. Under these circumstances it is, to say the least, extremely doubtful whether even in each protected industry growth and progress would not have been as great without Protection as it has been with it.

But this is only a small part of the question. No one doubts that a single special interest may be fostered by a Protective duty. The real questions are, What is the effect of such a Protective duty on other interests? Whether any single interest can be protected without involving Protection for others? And what is the final effect of Protection on the production and consumption of the country? Fortunately, we are not without means of giving an answer, however imperfect, to these questions.

In the first place, it is clear that the duties by which Germany protects particular manufactures do interfere with other manufactures, and are complained of, perhaps more loudly than the facts warrant. Thus, makers of

* Strachey, c. 4530, p. 32.

† Ditto, p. 36.

‡ Ditto, pp. 40, 43.

§ Ditto, p. 48.

|| Ditto, p. 66.

¶ Ditto, p. 26.

If it has
fostered
some
industries,
it has
impeded
others.

machines and of all sorts of goods made with iron and steel complain of the duties on those metals, and find or seek compensation in Protective duties on the articles they make.* The duties on cotton yarn have stimulated cotton spinning, but take from the weavers as much as they give to the spinners,† and the export commodities of Germany are at a great disadvantage in the markets of the world with the cottons of countries in which yarns are untaxed. The taxation of cotton yarns also injures the weavers of mixed goods, whether of woollen or silk.‡ The taxation of woollen yarns injures the weavers of wool.§ The taxation of linen yarns injures the weavers of linen.|| The makers of clothing complain of the duties on linen, woollen stuffs, etc.¶ Alizarine-makers need soda, and soda is taxed.** Strontium is of value for the most depressed of manufactures, that of sugar, but, at the beck of two or three Westphalian miners, strontium is taxed.†† The makers of soap, perfumery, candles, and varnish require oils; but German oil-makers must be protected.‡‡ The makers of essences and liqueurs complain of taxes on seeds.§§ Leatherdressers complain of taxes on articles used in tanning.|||| German timber is protected, and the vast number of trades which use wood cry out.¶¶ Paper suffers from the tax on chemicals.***

Whatever the actual effect of all these Protective taxes may be in restricting and repressing manufacture—and in many cases it must be considerable—the complaints made by the manufacturers are unanswerable in point of principle, and they are met, not by removing the duty on the material, but by giving the finished manufacture the protection of a higher duty. Germany is like France and Canada, a practical illustration of the universal truth: that Protection takes from one at least what it gives to another, and that if a nation begins by protecting one interest it must go on protecting others until the charmed circle is complete.

* Strachey, c. 4530, p. 17

† Ditto, pp. 22-26.

‡ Ditto, pp. 29, 43.

§ Ditto, p. 31.

|| Ditto, p. 33.

¶ Ditto, pp. 30, 32.

** Ditto, p. 48.

†† Ditto, p. 51.

‡‡ Ditto, pp. 52, 53, 54.

§§ Ditto, p. 54.

|||| Ditto, p. 57.

¶¶ Ditto, p. 60.

*** Ditto, p. 62.

It has made things dear in Germany.

If this is the effect of German Protection on the materials used in manufacture, what is its effect on the German consumer? There is ample evidence in these reports that the prices of many, if not of most, manufactured articles are higher in Germany than in countries which have no Protective tariff. This, we are told, is the case with steel rails; * with cotton goods, which to persons accustomed to London prices seem enormously dear; † with woollen goods; ‡ with linen; § with chemicals; || with articles made of leather; ¶ with pottery; ** and, as we know so well, with sugar. In short, the German consumer suffers as the consumers in other Protectionist countries do from Protective duties. Life is made dearer and less pleasant to him. For readers in this country it is needless to labour this point. Free Traders or Protectionists, we have all of us, I hope, except a few Fair Traders, got beyond the astounding doctrine that Protection raises prices to the seller without raising them to the buyer—a doctrine with which German Protectionists seem still to console themselves.

About German consumers, then, there can be no doubt. But how about German producers? Are they not doing well?

It has raised prices, but not profits, which are in many cases next to nothing.

If we find that prices in Germany, if not high, are yet in many cases higher than they are in England; and if at the same time the volume of business in Germany is large and constantly growing larger, we seem to have the elements of great prosperity for producers. Do the reports bear this out? Quite the contrary. If there is one feature in these reports on which all the reporters are unanimous and which applies universally to all branches of trade, it is that business, though large, is unremunerative; that profits are nothing or next to nothing; that there is a general glut of manufactured articles; and that the only hope for manufacturers is in some new market, some fresh demand which shall raise prices and make it worth while to go on producing. If this is what is meant by depression—and it is really what is meant by it in this country—there can

* Strachey, c. 4530, p. 14.

† Ditto, pp. 21, 25.

‡ Ditto, p. 32.

§ Ditto, p. 33.

|| Ditto, p. 51.

¶ Ditto, p. 57.

** Ditto, p. 63.

be no doubt that it exists in Germany to as great an extent as it does in England. It is almost superfluous to quote authorities. But I may quote one or two extracts from recent newspapers. In the *Times* of 21st July, 1886, occurs the following statement :—" An additional proof is afforded of the critical position into which the German iron industry has fallen, by the announcement that the large rolled iron concern of F. Remy, of Dortmund, has suspended payment. . . . The fact that in a recent contract for steel rails at Altona the lowest German tender was underbidden by one from England has caused absolute alarm. Hitherto, owners of German works have been able to recompense themselves for low-priced foreign contracts by keeping up prices at home." And again in the *Ironmonger* of 14th August, 1886, I find the following :—" More than thirty German Chambers of Commerce have expressed in their annual trade reviews for 1885 their conviction of the necessity of reverting to a more liberal foreign commercial policy. The Chambers of Carlsruhe, Darmstadt, Münster, Leipzig, Hanau, and many others, complain of the injurious consequences of the Protective system. It is also regarded as significant that the organ of Prince Bismarck reproduces prominently a portion of the Leipzig report, in which the Government, whilst congratulated on its opposition to the bimetallists, is urged to reverse its present commercial policy." The consular reports all tell the same story. In the three great articles, iron, sugar, and chemicals, the depression is very great*—greater, probably than in England or elsewhere. As regards trade generally Mr. Scott says that " the returns tell us that the return on capital is everywhere steadily decreasing. Prices of products in nearly all the chief branches of industry have been steadily falling, and the profits of producers and middlemen are being reduced in many instances to a minimum. . . ." The report of the general Handelstag of Germany has summed up the description of 1883 in five words : "*From maximum exertions minimum profits.*" " General over-production—or, rather, the general belief in the existence of over-production—is spoken of as the one great cause." Mr. Mulvany, who has, we have

* Scott, c. 4715, i., p. 159.

seen, such a firm belief in the recuperative effects of Protection, says, nevertheless : * " The depression of trade, or, perhaps more correctly speaking, of prices, is notorious." " The greater portion of capital invested in industry yields little or no interest, only a small portion a fair rate, and none a high rate." " A continuance of depression may become dangerous to master and man." From Königsberg † the report is that depression has reached its lowest point, and that it is caused by increased competition, very slow sale, and very small profits, often disappearing in loss. From Saxony we learn that ‡ " the depression is almost universal, and there are scarcely any branches of production which it has not reached." From Würtemberg : " The volume of transactions shows progress. The profits earned seem to decrease in a corresponding ratio."§ We have, then, increased production ; increased exports ; prices higher at home than abroad ; and, at the same time, aggregate profits decreasing so much that in many cases they approach or even reach zero.

Goods are
sold cheap
abroad and
dear at
home !

To this remarkable state of things we have to add one other fact, which seems to me to be very significant. The German manufacturer is selling cheap abroad, and keeps his head above water by selling dear at home. Of this there can, I think, be no doubt. Mr. Scott says : || " The producer, in order to keep a grasp of foreign markets and to keep his business going, is throwing it into foreign countries at unremunerative prices, in many cases lower than those at which he places it at home. . . . As he has in many branches at present the practical command of the home market to the almost entire exclusion of foreign competition, he is able to go on increasing his production for the present in spite of diminished profits, but it would require more than ordinary temerity to make a forecast of his future." Mr. Mulvany tells us that the German manufacturers are " steadily pushing their products into the markets of the world—it is true, in many cases without any profit—indeed, on large quantities, exported at a dead loss."¶ Again, according to Mr. Strachey, the existence of

* Scott, c. 4715, i., pp. 169, 170, 171.

† Ditto, pp. 182, 185.

‡ Ditto, p. 193.

§ Scott, c. 4715, i., p. 195.

|| Ditto, p. 160.

¶ Ditto, p. 170.

a double scale of prices, one for home buyers, another for foreigners, is a common, if not a general fact. The following are instances :—As regards iron (the production of which appears to be about 2·8 million tons, and the home consumption about 1·8 million, leaving 1 million for exports)* we are told that the magnates of Essen and Bochum formed a coalition which secured the sale of their goods in Germany at prices far above English, while in foreign markets they were flinging their rails away ; † and, again, that the Protective duty has enabled the German rail-makers to combine to fix home prices which are, or have been, fully 25 per cent. above their terms for foreign markets.‡ And, again, that the Chamber of Bochum reported that in 1882 the foreign trade was hardly profitable, and that German producers habitually accept for goods sent abroad prices lower than they will take from home dealers.§ Again, with respect to some important chemicals, in which there has been great over-production, Mr. Strachey says that the German makers keep up their prices in the home market to an artificial height by a trade convention, and, in the usual manner, throw their remaining supplies abroad at the lowest prices.|| Again, in the manufactures of articles of leather, in which also there is a glut, export prices are systematically lower than those taken from the home purchaser.¶ In pottery the consignments for foreign markets are made 15 or 20 per cent. lower than the dealings in Germany. And finally we know—as shown below in Chapter XLVIII.—that the German Government pays its sugar producers a bounty of at least a million a year, which operates as an inducement to them to sell sugar to Englishmen at half the price which, thanks to the duty, they are enabled to charge to their German brethren.

This is surely a very remarkable state of things. It is quite intelligible that a trader should sell some goods at no profit in order to obtain custom in other and more profitable goods ; it is quite intelligible that a manufacturer should here and there, and by way of exception, sell surplus stock without profit—or even at a loss. But that the mass of traders of any nation should habitually sell

* Scott, c. 4715, i., p. 159. † Strachey, c. 4530, p. 14. || Strachey, c. 4530, p. 51.
 ‡ Strachey, c. 4530, p. 7. § Ditto, p. 18. ¶ Ditto, p. 57.

goods to foreigners at a low price, and should recoup themselves by selling them to their own countrymen at a comparatively high price, is a practice which, so far as I know, is unprecedented. And that any Government should enable and encourage them to pursue this practice by protecting them in the monopoly of the home market, and should think that by so doing they were increasing the wealth and productive powers of the country, would be incredible of any men out of Bedlam, if it did not seem to be the policy of the present rulers of Germany. To induce manufacturers to sell dear at home and cheap abroad; to make your countrymen pay for dear goods, and to give them away to the foreigner, is a policy of which our own Protectionists and Fair Traders, however great their absurdities, would be heartily ashamed.

With a few trifling alterations as to figures and details all this that was written twenty years ago of German manufactures and commerce might have been written to-day. A period of feverish business activity has been succeeded by a period of acute depression; while since the introduction of Protection and its subsequent increases there has been a rise in the price of many articles, unaccompanied by any proportionate rise in wages. Goods are still sold cheap abroad and dear at home, frequently with such results as those described on page 152, where the case is mentioned of a British firm securing a contract in Berlin for iron work, the iron work being manufactured from German iron sold at high prices in Germany and dumped cheaply in England, to the advantage of British manufacturers. And only a few years ago Mr. E. E. Williams, the talented Protectionist author of "Made in Germany," actually claimed for Protection that it "enables the German to raise his prices to his compatriots and screw such a profit from them that he can afford a big reduction in his export prices." A concrete example was supplied by the Association of German Wire Nail Manufacturers, whose report, according to the Berlin correspondent of the *Economist*, showed that in 1900 it sold 22,307 tons for £363,837 in Germany, and 19,525 tons for £208,208 abroad, thus letting foreigners have nails at £10 13s. per ton, and charging their "protected" fellow-citizens £16 6s. per ton.

Since Lord Farrer wrote, the sugar madness, under which German bounties gave cheap sugar to British manufacturers and consumers, while Germans were charged exorbitant prices, reached such a pitch as frightened even the German Protectionists, and our Government has lately been obliging enough by means of the Sugar Convention to

save foreigners from the consequences of their own folly, and deny British manufacturers the advantage of cheap bounty-fed sugar.

Agriculture
extremely
depressed.

Of agriculture nothing has been said hitherto, but it is, after all, the greatest interest in Germany. Of the whole population 42 per cent. are still dependent on agriculture, and 45 per cent. on all other industries put together.* Formerly it played a much larger proportional part. In 1865 a large surplus of grain was sent abroad. The same process has since gone on in Germany which has gone on in other European countries; manufacture has increased disproportionately to agriculture; labour has flocked to the towns; and corn has come from remote quarters of the earth. Germany has become an industrial nation, and one-fourth of her home consumption of grain is now supplied from abroad. This process was proceeding very rapidly under the peculiar circumstances mentioned above, before Germany adopted the policy of protecting manufactures. That policy, whatever its importance as compared with other factors in the process, must have accelerated it. It must have helped to attract labour from the country to the towns, and have made it dearer and scarcer to the agriculturist; it must have increased the cost to the farmer and the peasant of all manufactured articles. In the meantime the competition of foreign corn lowered agricultural prices. The necessary result is very great depression in the agricultural interest. The Prussian Minister of Agriculture reports that within recent years the prices of nearly all agricultural products have fallen 25 or even 30 per cent., while the cost of production has increased in the same time 75 per cent.† Nor has the depression in cereals been made up for by increase in cattle. Within fifteen years sheep have declined from 28,000,000 to 19,000,000, though pigs have increased, doubtless fostered by the exclusion of American bacon.

Of late years the town and city population has increased rapidly in proportion to the rural population. In 1871 the people inhabiting towns of at least 2,000 inhabitants were 14·8 millions out of 41 millions, or 36·1 per cent.; in 1885 they were 20·5 millions out of 46·9.

* Scott, c. 4715, i., p. 157.

† *Ibid.*

millions, or 43·7 per cent. ; in 1900 the urban population constituted 30·6 millions out of 56·4 millions, or 54·3 per cent. The whole increase of population (15½ millions) between 1871 and 1900 was absorbed by the towns, leaving the numbers in the country as they were.

In the meantime, though the duties on wheat, which were not higher than the recently abolished British duty, were raised from 2s. 2d. per quarter in 1879 to 6s. 6½d. in 1885, 10s. 10½d. in 1888, with a reduction to 7s. 7½d. in 1892, agriculture has been generally depressed, and the Agrarian League demands higher duties still. With the increase of agricultural protection there has been a great increase of agricultural indebtedness, mortgages increasing between 1886 and 1897 by about £120,000,000.

The number of sheep had decreased from 19 millions in 1883 to 11 millions in 1897, while pigs had increased from 9 millions to 14 millions, and horses and cattle from 15½ millions to 18½ millions. In 1897 the United Kingdom had 26·3 millions of sheep.

Tax on
Corn.

Now, if the German Government had not protected manufactures this agricultural depression must have been borne, as it is in England, and the German artisan would have had the full benefit of the new sources of food supply which have, for us and for Europe, postponed the Malthusian difficulty. But the protection given by German laws to other industries made the claim of agriculture irresistible ; and the vicious circle of Protection has been completed in Germany, as in other Protectionist countries, by a tax laid on the food of the people. In 1879 a duty was laid on grain of about 2s. 6d. a quarter. In 1885 these duties were increased, and apparently on the average doubled,* so that, the clothes and tools of the people having been made dearer to them for the sake of the manufacturer, their food is now made dearer to them for the sake of the farmer and landowner. Nor is this a trifling matter. If, as is stated to be the case, Germany produces 50 millions of quarters of cereals,† and imports 9 millions, a tax of 5s. a quarter on the imported grain would impose on the people an extra charge, not of £2,250,000, which would be the actual amount of the tax on this imported grain, but of £14,750,000, by which sum the price of the whole 59 million quarters consumed would be raised.

* Strachey, c. 4530, p. 66

Of wheat in 1900 Germany produced 75·6 million cwt., or 17·6 million quarters, which, if the duty were operative to its full amount, as the farmer hopes it to be, would mean a tax of 6·7 millions upon the rest of the people. In the same year Germany imported 25,653,297 quarters of wheat, upon which the duty at 7s. 7½d. per quarter would amount to 9·8 million pounds. The duty, however, by no means always raises the price by its full amount, and the farmer who has sowed a crop on poor soil, perhaps in the hope that the duty will enable him to fleece the consumer to his profit, frequently finds himself ruined by a heavy fall in the open market or over-production within the protected one. Hence in protected countries the farmer suffers from disastrously sudden variations in price, and never knows what his real protection will be, the Berlin price of wheat, for instance, being in 1896 7s. 2d. per quarter above that of London, and in 1897 only 5s. 10d. above it, the duty for both years being 7s. 7½d. per quarter.

That Protection does encourage the use of poor soils for wheat growing is shown by the fact that the average yield per acre in Germany in 1898 was 24·87 bushels, and in the United Kingdom 34·74 bushels. The average prices in London and Berlin respectively being 34s. and 40s. 6d. per quarter, it follows that the money value of the wheat produced per acre was £7 7s. 6d. in the United Kingdom and only £6 5s. 11d. in Germany, in spite of the higher price which the German consumer had to pay for his bread. The high price ruling in 1898 induced the German farmers to put 116,000 more acres under crop. Next year the yield was greater by about 11,000,000 cwt., and prices fell by 6s. 9d. per quarter. In the United Kingdom prices also fell, but the high prices of 1898 had created no false hopes among the farmers, and the acreage under wheat for 1899 was 100,000 acres less than in the previous year.

Having thus put together such of the leading features in the German trade as the statistics and reports furnish, let us see what lesson can be drawn from them on the subject of Protection, premising that in so large, complicated, and uncertain a matter conclusions must be doubtful.

Conclu-
sions con-
cerning
German
Trade.

Under the influence of circumstances, some of which she shared with other European nations, whilst others were peculiar to herself, Germany with a Free Trade *régime* was becoming, and had indeed become, a successful manufacturing country. In a moment of commercial reaction and collapse she adopted a Protectionist policy. This policy has grown and extended its limits as it has done elsewhere—and, though less intense than in some countries,

it now embraces all, or almost all, products of labour, including the food of the people. Under this policy certain industries have been exceptionally and unnaturally fostered, and this has helped to produce a glut, which makes those industries unprofitable. In other cases of the kind, as in the United States, relief by exportation is impracticable, because Protection has raised the cost of production. But Germany has met this difficulty in a very remarkable way. Whilst selling dear at home she makes it a practice to sell cheap abroad, and thus maintains her exports. We have found in her statistics of trade the feature, very uncommon in the case of a prosperous trading nation, that her imports hardly keep pace with her exports, and do not exceed them. This feature in her statistics might be explained by the fact that she was investing largely abroad, and sending goods abroad to pay for them, as we did in 1872. But it may also be explained by the fact that foreign nations are paying her little for what she sends to them, or, in other words, that the foreign trade, for which she is making such great efforts, is not profitable to her. This latter explanation seems to be the more likely, since it is consistent with the universal complaint that trade, though large, is unprofitable, and with the practice of her traders, who, as we have seen above, make their profits out of their own countrymen, and sell for export at unremunerative prices. This, of course, they could not do without the help of Protective duties. If this is a true account of the maintenance of the volume of German exports during the recent period of depression, we may be annoyed that such a nation as Germany should add to the general depression by fostering unnaturally cheap exports at the expense of her own people—just as we are annoyed at her disturbing the sugar trade by her system of bounties—but we need not be alarmed. Such a course cannot last. Nor can it make Germany richer or more powerful, for purposes of competition or otherwise. And in the meantime we get cheap goods at her expense.

As mentioned before, German imports exceed exports, as do those of all countries in Europe, except the poorest of the great nations—Russia and Austria—and the poorest of the small countries—Bulgaria

and Servia ; but in the years 1898 to 1902, when exports increased by £50 millions, the great distress then prevalent in Germany suggests that manufacturers were forced to sell cheap abroad the goods for which they could not find a remunerative market at home. During those years, while exports increased by £50 millions, imports showed an advance of £27 millions only.

This is confirmed by the consular report of Mr. Schwabach, H.M. Consul-General at Berlin, on the trade of Germany in 1902, where it is stated, "Exports both in quantity and in value show higher figures, which may be attributed to the fact that industrial undertakings, finding no home market for their output, forced the export trade to the utmost," and further, "it must not be forgotten that the flatness of the whole market led to an export trade which was in many cases unremunerative, to use no stronger expression." As to the effects of this on British industry, the Board of Trade Report on British and Foreign Industry, 1903, states : "So far as concerns the iron trade, the possibility of obtaining cheap German steel has materially reduced the demand for pig iron, and British makers of raw steel have by no means had things all their own way. On the other hand, manufacturers who have been using steel as their raw material, e.g. makers of tin plates and sheets, have found the abundance of low-priced steel of advantage to the profitable pursuit of their industry, and, indeed, would at certain times have been placed in a position of some difficulty if they had not been able to reckon on foreign supplies for keeping their works in full activity."

The exports from Germany, distinguishing between food, raw materials, and manufactures, for the years 1869 and 1879 are as follows :—

Exports
from
Germany
in 1869 and
1879.

EXPORTS OF DOMESTIC PRODUCE FROM GERMANY.*

| | Amount in Thousands of Pounds. | | Percentage. | |
|------------------------|-----------------------------------|---------|-------------|-------|
| | †1869. | 1879. | 1869. | 1879. |
| Food | 28,356 | 37,948 | 25·6 | 27·3 |
| Raw Material | 38,383 | 47,283 | 34·7 | 34·0 |
| Manufactures | 43,864 | 53,551 | 39·7 | 38·7 |
| Total | 110,603 | 138,782 | 100 | 100 |

* See Table XXIII., in Appendix, for the details.

† The values for 1869 are estimated only.

The proportions of food, raw materials, and manufactures exported remained much the same during the decade. But it is probable, looking to the facts mentioned above, that the proportion of manufactures exported has since increased.

The following are the figures for later years :—

| | Amount in Millions. | | | Percentage. | | |
|----------------------|---------------------|-----------|-----------|-------------|-------|-------|
| | 1889. | 1899. | 1900. | 1889. | 1899. | 1900. |
| Food | £ 20'0 | £ 23'9 | £ 25'9 | 12'6 | 11'4 | 11'2 |
| Raw Material | 37'1 | 56'0 | 61'3 | 23'4 | 26'6 | 26'6 |
| Manufactures | 101'2 | 130'4 | 143'4 | 64'0 | 62'0 | 62'2 |
| Total | 158'3 | 210'3 | 230'6 | 100 | 100 | 100 |

CHAPTER XXXVI.

FOREIGN TRADE OF UNITED STATES.

Statistics.

THE statistics of the foreign trade of the United States, giving in the same way the value of the imports and exports, and their amount per head of the population for each year and for quinquennial periods since 1854, will be found in Table XIX. in the Appendix.

Taking quinquennial periods the figures are :—

| Years. | Population in Millions. | Imports. | | Exports. | |
|--------|-------------------------|---------------------|-------------------------|---------------------|-------------------------|
| | | Amount in Millions. | Per Head of Population. | Amount in Millions. | Per Head of Population. |
| 1855-9 | 31 | 59 | £ s. d. 1 17 8 | 53 | £ s. d. 1 13 7 |
| 1860-4 | 31 | 55 | 1 14 10 | 43 | 1 7 3 |
| 1865-9 | 38 | 73 | 1 18 2 | 45 | 1 3 7 |
| 1870-4 | 38 | 113 | 2 18 7 | 96 | 2 9 11 |
| 1875-9 | 44 | 94 | 2 2 5 | 124 | 2 16 3 |
| 1880-4 | 50 | 139 | 2 15 7 | 165 | 3 5 11 |
| 1885-9 | 56 | 138 | 2 8 11 | 146 | 2 11 0 |
| 1890-4 | 63 | 163 | 2 11 11 | 185 | 2 19 0 |
| 1895-9 | 69 | 145 | 2 1 11 | 213 | 3 1 3 |

And for each of the following years :—

| Years. | Imports. | | Exports. | |
|--------|------------------------|--|------------------------|--|
| | Amount in Millions. | | Amount in Millions. | |
| 1880 | 136 | | 171 | |
| 1881 | 130 | | 184 | |
| 1882 | 147 | | 152 | |
| 1883 | 146 | | 167 | |
| 1884 | 136 | | 151 | |
| 1898 | 124 | | 252 | |
| 1899 | 140 | | 251 | |
| 1900 | 172 | | 286 | |
| 1901 | 166 | | 304 | |
| 1902 | 183 | | 282 | |

The following is an analysis of their export trade in 1870 and 1880, excluding bullion and specie :—

Exports of
United
States in
1870 and
1880
analysed.

EXPORTS OF DOMESTIC PRODUCE FROM THE UNITED STATES.*

| | Amount in Thousands of Pounds. | | Percentage. | |
|------------------------|-----------------------------------|----------|-------------|-------|
| | 1870. | 1880. | 1870. | 1880. |
| Food | £ 21,660 | £ 96,694 | 28·6 | 56·3 |
| Raw Material | 45,600 | 57,199 | 60·1 | 33·3 |
| Manufactures | 8,609 | 17,763 | 11·3 | 10·4 |
| Total | 75,869 | 171,656 | 100 | 100 |

| | 1891. | 1900. | 1891. | 1900. |
|-------------------------|----------|-----------|-------|-------|
| Food | £ 89,471 | £ 122,742 | 49·2 | 40·5 |
| Raw Material† | 71,541 | 111,582 | 39·4 | 36·9 |
| Manufactures | 20,711 | 68,386 | 11·4 | 22·6 |
| Total | 181,723 | 302,710 | 100 | 100 |

* See Table XXIV., in Appendix, for details. The proportion of manufactures exported has probably increased since 1880. I do not give the figures, though they are given in the official U.S. reports, because, as above stated, any analyses of this kind are useless for purpose of comparison unless made by the same persons and on the same principles.

† In the *British Trade Journal* of 1st March, 1886, will be found a good analysis of the manufactures exported from the United States, and a comparison of their exports with our own.

In figures for 1891 and 1900 tobacco is included among foodstuffs ; and mineral oils and leather are classed among raw materials.

One thing strikes us at once in looking at these figures as compared with those given for the United Kingdom—viz., that whereas our imports immensely exceed our exports, the United States exports have, since 1875, constantly exceeded their imports. Two points must, however, be borne in mind. First, that our own export figures do not include the amount of "invisible exports" in the shape of earnings of our shipping, for which we have to be paid a very large sum, amounting now to £50,000,000 or upwards, and which has been constantly on the increase ; and, on the other hand, that the United States imports are valued as they are at the port which the goods have left, whereas ours are valued as they are at the port of arrival. Something will, therefore, have to be added to our export figures, and something to the United States import figures, in order to make the comparison a fair one. But even after these additions the excess of imports over exports in the United Kingdom is probably much larger than the excess of exports over imports in the United States.

These are not figures to alarm us. It is idle to expect that 30 millions of people shall produce as much as 50 millions of people of the same race.

The United States are probably, however, at this moment, in spite of temporary depression, one of the most prosperous nations in the world.

The source of their prosperity is not far to seek. It is not to be found in those industries which they try to cherish by Protection, but in the raw productions of the fertile soil and climate of their immense territory. They have 50 millions of the most industrious and energetic people in the world ; they have a country as large as Europe, with every variety of good climate, and with an unlimited area of unexhausted soil. They have excellent communication throughout all the parts of this immense area. Besides this, though shut off by their tariffs from the rest of the world, they have absolute Free Trade within their own borders. It is as if there were no custom houses on any of the land frontiers of the different States

of Europe. Besides this, they have the Old World wanting food, and affected by bad harvests. No wonder, then, that they supply the world with food and agricultural produce. Only a tenth of their population is concerned in trade. The export of manufactures from the United States in 1880 was $17\frac{3}{4}$ millions sterling, whilst our own export of manufactures in the same year was 190 millions. Even in their own highly protected market, our manufactures were then sold to the extent of $24\frac{1}{2}$ millions a year; whilst in our open market theirs were only sold to the extent of $2\frac{1}{2}$ millions. With great facilities for producing iron and steel, and with a considerable native production, prices were so high in 1880 that, in spite of the duty of 40 per cent. imposed on foreign iron, we were able to send them £10,000,000 worth, whilst what they sent us was worth £200,000.

Their exports were very large in 1880, and increased enormously in the decade ending with that year; but of what did they consist?

Ninety per cent. were food and raw materials, whilst the manufactures which they try so hard to foster and protect did not amount to more than 10 per cent. Their shipping, as we shall see below, is not one-fourth—or, if we count one ton of steam as equal to four of sailing, not one-seventh of our own. Of their whole trade they carried 75 per cent. in their own vessels in 1850, and only 16 per cent. in 1880. Food constituted $28\frac{1}{2}$ per cent. of their exports in 1870, and the amount of food which they export increased more than fourfold between 1870 and 1880. The things which they have not protected they provide the world with; in the things which they protect, and we leave free, they are nowhere in the race. So much stronger is nature than human law—so great are the advantages which Freedom has over Protection.

Nature
of their
Exports.

The real moral to be drawn from American trade is the Free Trade moral—viz., that the free development of natural advantages, and the free exchange of natural products, are the true sources of commercial prosperity.

The respective populations of the United Kingdom and the United States are now about 43 millions and 77 millions, while to her urban

population the United States added between 1880 and 1900 13½ million people, or more than twice the total increase of population in the United Kingdom in the same period. This increase of the city population has naturally been accompanied by a great output of manufactures, but there is reason to doubt if the United States is, in spite of its industrial progress, a truly prosperous country at the present time. Free Trade within the States, which for a long while did much to moderate the evils of Protection, has since perhaps rather aggravated them than otherwise by providing the vast trusts and monopolies with a field secure from outside competition behind the tariff wall, and yet large and tempting enough to invoke all the energies of capital for its exploitation. Trusts with such power for evil in trade and politics as those of America possess would be impossible in small communities, however high the tariff sheltering them from competition. The economic waste of Protection is greatest in small countries, but the secondary evils resulting from it, such as political corruption, tyranny in trade, and the breeding of millionaires and paupers, reach their maximum in huge countries like the United States, where immense aggregations of capital are called into being by the alluring prospect of monopolising such a splendid market. There are signs at present that the American trusts have gone too far, and that, in spite of protection from outside competition, the size of the free inter-State market, which was their temptation, will prove their undoing, since, in American language, the monopolists "have bitten off more than they can chew," but in the meantime individual enterprise is crippled by the trusts, the people are fleeced in high prices, the workers suffer in decreased wages, and America socially and industrially is in a most unhealthy state.

The following are interesting scraps of testimony from various sources as to the operation of the trusts in late years, when they were at the very height of their power and insolence:—

"That the trusts derived their power from the tariff is not disputed," said Mr. Henry O. Havemeyer, president of the Sugar Trust, to the Industrial Commission of Congress on June 13th, 1899. "The mother of all trusts is the Customs Tariff Bill. The existing Bill and the preceding one have been the occasion of the formation of all the large trusts, with few exceptions, inasmuch as they provide for an inordinate protection to all the interests of the country, sugar refining excepted. . . . The United States Tariff Bill, in assessing about \$40 per ton on imported sugar, pays into the pockets of a few Louisianians, on their crop of 250,000 tons, \$10,000,000; to the Hawaiian Islanders, probably represented by 150 foreigners, on their annual crop of 250,000 tons, \$10,000,000; say 100,000 tons produced elsewhere in the United States, \$4,000,000. Here you have

\$24,000,000 extracted from the people of the United States for the sake of getting the revenue which \$4 per ton on foreign sugar provides. This is merely illustrative of the whole tariff—every line of it—and its effect upon the people. In fact, the Tariff Bill clutches the people by the throat, and then the Governors and the Attorneys-General of the several States take action, not against the cause, but against the machinery which the people employ to rifle the public's pockets."

The *Chicago Tribune*, discussing the formation of the Potters' Trust in January, 1900, wrote: "The trust will raise the price of its products, and common people will either have to buy them or go without, for the American potters are protected by duties which make foreign competition impossible except where the most artistic and highest-priced goods are concerned." And, referring to the failure of all special laws against trusts, the *Tribune* further stated: "Congress can hit this latest trade combination a blow on the head by reducing somewhat the high duties on competing foreign goods. That will compel the combine to lower its price or lose trade."

Valuable Protectionist testimony comes also from the *Melbourne Age*, which wrote on February 11th, 1901: "The re-election of Mr. McKinley seems to have given fresh life to trust promoters, as New York mail advices all mention that 'combines' are again in prominence." On October 6th, 1900, the *Age*, reviewing with approval an article in the *American Arena*, which pointed out the difference between the harmful American trusts, protected from outside competition, and the harmless trusts of Great Britain, exposed to the competition of the world, wrote as follows:—

"The tendency towards the concentration of capital employed in industry has spread from America to Great Britain. It is, however, in the United States alone that this phase of commercial evolution has assumed the dimensions of a political problem, and has become associated with evils so great that they must be mended or ended. In Great Britain the professed object of such combinations is to improve trade without doing any injury to the consumer, and just as this principle has been kept in mind have their undertakings proved successful. No British trade monopoly, according to the writer, raises the price of such commodity above the level at which the same commodity can be imported from abroad. The formation of trusts, therefore, has no terrors for the English consumer, as it has for the American consumer. As a consequence there is, to the surprise of many Americans, no outcry against great combines in Great Britain."

The outcry will arise, loud and fervent, if Protective duties ever render British manufacturers, who are as human as those of America and Germany, the opportunity to crush out local competition, and,

free of competition from abroad, to fleece the British public in the American fashion.

Perhaps, however, the most interesting of all proofs that Protection is the mother of monopoly is to be found in the ingenuous conduct of the first Australian Commonwealth Government, which introduced a highly Protectionist tariff, and at the same time provided that, in the event of it appearing that the manufacture or sale of any article was controlled by a trust, the Ministry of the day should have the right, by an executive Act, to temporarily abolish the Protective duties upon it.

That trusts are promoted by tariffs is indeed open to no doubt. Of their blighting effect upon American life there is overwhelming evidence, of which only one or two samples can be given here. On February 1st, 1901, the *Montreal Star* put the matter ironically, but powerfully, thus :—

“The American people still have their glorious personal freedom. The Constitution guarantees that. They will be absolutely free to do anything they want to do but to buy and sell, to eat and drink, to work for wages, to travel, to light their houses, to go to dramatic or vaudeville entertainments, to wear clothes, and do a few little things of that sort, except upon terms dictated by their sovereign lords the trusts. With this freedom they will still be able to look with pity upon the downtrodden nations of Europe, oppressed by royal tyrants and privileged aristocracies. The serfs, vassals, and villeins of Europe may not be able to appreciate the subtle superiority of the American type of serfdom, vassalage, and villeinage, but it is there all right. The present generation of Europeans have inherited their bonds; the present generation of Americans can proudly boast that they are self-made people, and have themselves forged the fetters that hold them, and they can boast that they have forged the fetters strong enough and good enough for the purpose.”

How small business men and their employes suffer was shown by the *Age*, writing on September 6th, 1899: “The operation of the trusts is beginning to be felt very severely, for more than 25,000 commercial travellers are, or are about to be, dismissed from their employment. Where there is no competition there is no need for ‘drummers,’ as the ambassadors of commerce are called in the United States, and all touting can be done by letter.”

In April, 1900, the *Boston Post* wrote :—

“We cannot doubt that to-day the cost of production and distribution of a good many articles which are in common use as necessities of life has been reduced by the industrial combinations known as trusts. A great many industrial plants have been shut down, a great many people, men and women, have been thrown out

of employment, and in a large number of industries competition has been crushed out. This means an increased profit to the manufacturers, but in no case, so far as reported, has the price to the consumer been reduced. On the contrary, prices have been raised all along the line, and the trust managers laugh at the idea of realising in practice the theory that consolidation and combination are for the benefit of the people who are the consumers."

Justice, a Wilmington paper, in October, 1899, gives a specific case :—

"How trusts operate is well illustrated by the recent closing down of the Continental Match Factory at Passiac, New Jersey, U.S.A. Until recently it was the property of Edwin Gould, and was valued at \$100,000. In order to cut off its competition the Diamond Match Company bought out the plant for \$1,000,000, closed the factory for good, and turned adrift its 500 employes, 300 of them girls, without warning. The trust will now begin to get that million out of the patient public in increased prices."

The *Independent*, of Forest City, Indiana, in February, 1899, gives another example :—

"The Indiana Wire Fence Company, of Crawfordsville, has been absorbed by the American Steel and Wire Company, and its buildings now stand deserted. The fence factory was Crawfordsville's chief industry. There were regularly employed 75 men, sometimes more than that number, nearly all of whom have families. The pay-roll for labour alone amounted to nearly \$52,000 a year, about every dollar of which was spent in Crawfordsville. The company did not wish to sell out to the trust, but was threatened that the trust would cut prices so low that they would be forced out of business, and the sale was made on January 23rd, 1899. Then the blow fell upon Crawfordsville. The men were thrown out of employment. Most of them had gone into building and loan associations, had borrowed money, and were building themselves homes. They could not meet their payments. Their houses were taken away from them, and they left the city. There was no work for them here. Clerks and salesmen lost their positions, and every branch of business felt this blow."

How the crushing out of small concerns, such as the Crawfordsville wire factory, affected the farmers is shown by the *Minneapolis Times*, writing in February, 1900 :—

"A tariff-fostered trust that touches more people than any other is the steel and wire concern. Every farmer who strings a fence or builds a barn; every house builder or contractor; in short, every person who uses wire or nails, must pay tribute to that combine; and its monopolistic power is conferred on it by high tariff Protection.

". . . . At the same time it exports vast quantities of its

products, and sells in competition with the world, its European prices being about 40 per cent. below home prices. It sells its wire and wire nails cheaper abroad than at home, simply because the tariff on these articles keeps out German and British competition. Thus the American consumers are mulcted in the sum of millions of dollars annually for the benefit of that one trust."

Finally, the Philadelphia *Ledger*, in November, 1900, tells us that :—

"It is the heavily protected trusts that are now silencing the wheels of industry by suspending the operation of mills and denying to multitudes of American working men that 'full and unrestricted labour' to which they are entitled."

Enough has been quoted to show the unanimity of the conviction that American trusts are a menace and a curse to the traders, the working men, the farmers, and consumers of every other class in America. Neglecting this side of the matter, British Protectionists point to, and grossly exaggerate, the dumping by the trusts in Great Britain, and cry out that we, too, must have Protection in order to prevent Americans from selling goods in our market at less than cost price. It is *a priori* impossible that such a method of business could continue for any length of time ; it is only possible for a day because the protected Americans permit themselves to be egregiously swindled by the exporting trusts ; and there are abundant signs of revolt by the American people, and a breakdown of the trust system through the sheer unwieldiness of the trusts and the greed of their promoters. Any dangers which they at one time threatened to British industry are steadily lessening, and it would be the height of madness to prevent possible injury to the few in this country through American trusts selling cheap, by the institution of duties which would immediately bring into existence British trusts to inflict certain and enormous injury on the many by selling dear. As remarked before, no individual or corporation can continue to do business at a loss ; in this country for foreign trusts to crush out opponents by temporary cheapness and afterwards to exorbitantly raise prices is not possible, because our markets are open to the traders of the world ; and if people of other countries can honestly make and sell us any article cheaper than we can make it ourselves, it is folly not to buy it of them with the proceeds of goods which it better pays us to make at home.

When Lord Farrer wrote, the trusts, which are now such a feature of American and, in a lesser degree, of German production, were in their infancy, but they have been discussed at some length here because of the extraordinary fatuity which at the same time condemns them and sees in their operation a reason for this country

protecting itself. The Protection is supposed to be needed for British industry, yet where can the greatest alarmist point to British industries suffering one tithe of the injury that is exemplified in the dismissal of 25,000 commercial travellers, the closing of factories and the dismissal of men in the United States? And it must be further remembered that in such isolated instances of injury to some trades in this country as can be put to the debit of the trusts there has been a countervailing advantage to the whole people considered as consumers, and to a considerable portion of them considered as producers, in the obtaining of cheaper goods for consumption or cheaper material of industry. Where the trust attacks a competing business in its own country the whole community has to pay in higher prices for the cost incurred by the trust in ruining or injuring a part.

Can a country subjected to such tyranny as that of the American trusts be truly described as prosperous, though the production of wealth within it and the amount of wealth sent out of it increase from year to year? English labour leaders who have visited the States one and all report that conditions of labour there are inferior to those in England, and whereas Charles Dickens wrote from Boston in January, 1842: "There is no man in this town or in this State of New England who has not a blazing fire and a meat dinner every day of his life. A flaming sword in the air would not attract so much attention as a beggar in the streets," in December, 1894, Mr. John Burns, M.P., told the citizens of New York "his observations had shown him that the houses in Whitechapel itself—the poorest quarter in London—were clean, wholesome, and luxurious compared with the horrible tenements in which lived the workers of the chief city of the United States." Such advances has the great protected Republic made in the half-century elapsed since its Free Trade days when Dickens wrote.

CHAPTER XXXVII.

TRADE OF CANADA AND AUSTRALIA.

It is, perhaps, even now, too soon to trace the effect of the Canadian tariff of 1879 on her trade, and it is especially difficult to eliminate other causes which have affected it. It would have been very strange if Canada had not, tariff or no tariff, participated in the revival which has taken

Trade of
Canada
since new
Canadian
Tariff.

Trade of
Canada.

place in the trade of the American continent ; it would be doubly strange if, with her natural capacity for producing corn, and with the recent scarcity in Europe, she had not very largely increased her exports. For those exports she must be paid, and we should therefore also expect to see her imports increase very largely, and with them her Customs revenue. We do find an increase, but by no means so large a one as we should expect. In 1880, after the new tariff, the amount received as Customs revenue had increased over that received in 1878, the year before the new tariff, by a little more than a million of dollars. The duties in 1880 amounted to about 20 per cent. in value of the whole imports of the country. In 1874 and 1875, before the new tariff, the duties constituted only from 11 to 13 per cent. of the value of the imports, and in those years the Customs revenue was larger than it was in 1880.

Comparing the trade of 1878, the year before the new tariff, with 1880, we find that the imports were 90 millions of dollars in the former year, and 86½ millions in the latter year ; whilst the exports were 79 millions in the former, and 88 millions in the latter. In 1873-74 the imports had been 128 millions, and the exports 89 millions of dollars. In 1883 the imports had risen to 132 millions, but the exports to 98 millions only—little more than they had been ten years before. The increased imports are probably due here, as in Australia, to the investment of foreign capital in railway and other enterprises, whilst the Protectionist tariff has had in Canada, as in the United States, the effect of restricting her foreign markets, and checking the sale of Canadian produce abroad. Considering the increase of population and of cultivated area, and considering also the immense demand of Europe for corn, it is surprising that, even with the check on her industry imposed by the new tariff, the increase of exports should have been so small as it is. Canada has, probably, succeeded in calling into existence some weak manufacturing interests which will prove a thorn in her side, but she has done so at the expense of her natural industries, and has checked the flow of capital and labour from Europe, of which she stands in so much need. We have heard whispers

in this country of a desire for bargains with England, under which England should either advance money to her, or give some preferential treatment to Canada as the price for a reduction of her duties on English goods. Whether such proposals have ever been entertained or made by men of influence in Canada, I do not know. But the chilling reception all such notions have met with in this country ought to be a lesson to Canada, and to other Protectionists, that if you want to win the favours of your mistress, it is a very bad plan to put on a fit of sulks in order to make your return to good humour the price for her smiles. The Protectionist policy of Canada is deeply to be regretted by all her well-wishers here, not because it injures the trade of England, for to that trade it is a comparative trifle, but because it tends to cripple the industry of Canada, and to create a bad feeling between the two countries.

On pp. 64 and 65 some account is given of the granting by Canada of preferential tariff treatment to the United Kingdom, and the slight effect it has had on trade between the two countries. The general trade of Canada has increased very largely since 1883 in spite of the protective tariff, chiefly owing to the opening up of great wheat-growing territories in the North and West, which have been traversed by railways and, to a great extent, supplied with population by assisted immigrants from the United Kingdom, who are provided with free grants of land. There has also been a very large immigration from the United States, and the population of British North America, which was 4·3 millions in 1881, reached 5 millions in 1891, and in 1901 5·6 millions. In 1890 exports were valued at 21·1 millions, in 1900 at 41·2 millions, and in 1901 at 42·1 millions. For the same years the imports were 24·5 millions, 38·7 millions, and 38·8 millions.

The case of Victoria and New South Wales is particularly interesting, because the two Colonies are in many respects similarly situated; and whilst the one (Victoria) has embraced Protection, the other (New South Wales) has remained steadfast to Free Trade. Both have progressed, but New South Wales has made by far the greater progress of the two.

Comparison of growth of Trade, &c., in Victoria and New South Wales.

It appears, on comparing the progress of the two

Australian
Trade.
Victoria
and New
South
Wales.

Colonies for the decade ending with 1880, that the following are the general results :—

| | Victoria. | New South Wales. |
|-------------------------------------|--|--|
| Population . . . | increased from 726,000 to 860,000, or 18 per cent. | increased from 502,000 to 770,000, or 53 per cent. |
| Excess of Immigrants over Emigrants | stationary . . . | increased from 4,000 to 19,000. |
| The Value of Rateable Property | increased by less than one-half | more than doubled. |
| Customs Revenue . | stationary . . . | increased by nearly one-half; and is, with a less population and low tariff, nearly as great as that of Victoria, with a large population and high tariff. |
| Imports . . . | increased from 12½ millions to 14½ millions, or 17 per cent. | increased from 7½ millions to 14 millions, or 80 per cent. |
| Exports . . . | increased from 12½ millions to 16 millions, or 28 per cent. | increased from 8 millions to 15½ millions, or 94 per cent. |

Since 1880 things have pursued a similar course. I annex a table (No. XXV., in the Appendix) giving the population, public debt, and imports and exports of each of the Australian Colonies from 1873 to 1883, extracted from the Victoria Year Book, from which it will be seen that New South Wales, the Free Trade Colony, has increased its imports from 14 millions in 1880 to 21 millions in 1883, and its exports from 15½ millions in 1880 to 20 millions in 1883; whilst Protectionist Victoria has only increased its imports from 14½ millions to 17½ millions, and its exports from 16 millions to 16½ millions in the same time. This table also shows that New South Wales has increased its exports in these three years far more than any of the other Australian Colonies, all of which are far more Protectionist. It is exports which our Fair Traders are particularly anxious about, and it must be some disappointment to them to find that among a number of British societies starting on similar and equal terms, the one

which has constantly admitted free imports has actually increased its exports far more than those which have endeavoured to promote their production and their power of export by Protective duties, thus giving an excellent illustration of the Free Trade maxim, "Leave the imports free, and the exports will take care of themselves."

From a fiscal point of view it is greatly to be regretted that Australian federation and a common tariff have put an end to the interesting object lesson in the comparative effects of Free Trade and Protection which were afforded by the two States of Victoria and New South Wales. In no other part of the world were two communities to be found peopled by the same race and so nearly alike in the character and extent of the resources under their control, and in their government and laws, which were, in fact, practically identical, except in their methods of taxation and the adherence of one State to Free Trade while the other was devoted to Protection. It is true that New South Wales has much the larger territory, but most of the population is concentrated in the eastern division, with an area of 94,000 square miles against Victoria's 87,000, while in New South Wales 220,000 people are scattered over an area of 224,000 square miles, which is subject to the most disastrous droughts, and requires in administration and the providing of roads, railways, and postal services a much greater expenditure than is derived from it in revenue. Thus, from an economic point of view, New South Wales has probably derived no advantage, but has rather suffered disadvantage in her larger area as compared with the smaller, more compact, and more fertile State of Victoria. In mineral resources New South Wales has the advantage in possessing far richer coalfields than Victoria, but Victoria has produced, and continues to produce, immensely greater quantities of gold. Up to 1880 in population and many other respects Victoria maintained the lead of New South Wales which the great gold discoveries and the subsequent settlement of her lands had given her. In 1871 Protection, which had begun with small 10 per cent. duties in 1865, was increased, and from 1871 Victorian Protectionists date the efficient application of their policy, which culminated in 1895 in duties averaging over 40 per cent. New South Wales, on the other hand, was practically a Free Trade country until 1892, when small Protective duties were introduced, and swept away again to give place to an even lighter tariff than that they had displaced. Bearing these facts in mind, it is instructive to note that in 1901 New South Wales was more populous than Victoria. It had greater imports, greater exports, employed more men in its

factories, had a greater amount of capital invested in them, and paid higher wages to its employes; its savings banks deposits were greater per head of population, its consumption of food was greater per head, it was gaining population while Victoria was losing it, its postal receipts were greater though it carried newspapers free, which Victoria did not, and its income per head of population was much greater than that of Victoria. Many of these facts are illustrated by the following tables, the data for which are taken from Australian official publications:—

POPULATION.

| | Victoria. | New South Wales. | |
|---------|--------------|------------------|-----------------------------|
| 1871 .. | 732,000 .. | 504,000 .. | Excess for Victoria 228,000 |
| 1901 .. | 1,209,000 .. | 1,380,000 .. | Excess for N.S.W. 171,000 |

Since 1901 the population of New South Wales has increased, while that of Victoria has declined.

EXCESS OF IMMIGRATION OR OF EMIGRATION BETWEEN
1871 AND 1901.

| | | |
|-----------------------|---------------|--------------------|
| New South Wales | 283,000 | Gain of Population |
| Victoria | 13,154 | Loss of Population |

COMPARATIVE STATISTICS.

| 1901. | Victoria. | New South Wales. |
|--|-------------|------------------|
| Income per Head | £42'7 | £47'3 |
| Savings Banks Deposits per Head | £8 7s. 11d. | £8 11s. 2d. |
| Meat Consumed per Head | 209'3 lbs. | 297'3 lbs. |
| Tea per Head | 6'9 lbs. | 7'7 lbs. |
| Sugar | 93 lbs. | 107'8 lbs. |
| Grain | 326'4 lbs. | 374 lbs. |
| Spirits | 78 gal. | 82 gal. |
| Consumption of Tobacco per Head .. | 2'13 lbs. | 2'67 lbs. |
| Imports | £18,927,000 | £26,928,000 |
| Exports | £18,646,000 | £27,351,000 |
| Total Hands Employed in Factories ... | 66,529 | 66,135 |
| Males | 47,059 | 54,461 |
| Females | 19,470 | 11,674 |
| Output of Factories | £18,512,000 | £24,393,000 |
| Wages paid in Factories | £4,589,000 | £4,943,000 |
| H.P. Employed | 34,548 | 40,823 |
| Value of Plant | £4,847,000 | £5,777,000 |
| Postal Revenue... .. | £620,000 | £870,000 |

CHAPTER XXXVIII.

AGRICULTURAL DEPRESSION ; EFFECT OF BAD HARVESTS.

BUT there has been a long and continuous depression of agriculture, the largest of all our productive industries ; and this, it may be said, brings with it depression of all. Now, that the farmers have suffered severely during the last eight or ten years there can be no doubt. The amount of their losses it is not easy to estimate ; but competent observers calculated in 1880 that, if their then condition, arising from the losses of the previous six years, were compared with their condition ten years before, they must have been the worse by a sum approaching 200 millions, or, taking it by the year, 30 millions a year. As is well known, their condition has not improved since then. The comparatively good harvests of 1884 and 1885 failed to relieve them ; and there is reason to believe that landlords have recently had to make great reductions in the rent of arable land. The most recent and most trustworthy estimate of agricultural losses is that made by Sir J. Caird in his evidence given to the Depression of Trade Commission.* He compares the position of landlords, tenants, and labourers in 1876 and in 1886, and he calculates that the total annual income of the three classes in 1886 is less by £42,800,000 than it was in 1876 ; and that of this loss the landlords' share is £20,000,000, the tenants' share £20,000,000, and the labourers' share £2,800,000. The diminution, he thinks, has been gradual ; and he appears to think that, comparing things now with what they were twenty years ago, landlords have lost in the last ten years of the decade all the rise of rent which took place in the first ten years, and that labourers' wages, whilst less than they were ten years ago, have not yet fallen to the level of 1857.

Sir J.
Caird's
estimate of
the losses]
of the
Landed
Interest.

Agricultural wages have since 1881 risen to and remained at higher point than they ever previously attained.

* C. 4.715, Qu. 7.673, and f. 7.677, 7.742, and 7.785.

Losses of
Farmers
due to four
causes :

- 1, Rise of
Rents ;
- 2, Rise of
Wages ;
- 3, Lowered
Prices ;
- 4, Deficient
Produc-
tion.

Sir J. Caird also points out that, whilst one great factor in this loss has been the fall in prices of agricultural produce, an equal fall has taken place in the prices of other articles ; so that a part, at any rate, of this money loss above mentioned is shared by other classes, and is rather nominal than real. Whatever be the sum thus lost by the agricultural class, it is due to several factors, of which bad harvests form only one. A rise in rents—which had been going on long before the beginning of the decade, and which continued until 1872-73*—an increase in the cost of labour, and a heavy fall in the price of agricultural produce, owing to foreign competition, are other factors. Of these four factors, the rise of rents, and the rise in the cost of labour—a most uncertain item—were estimated in 1880 to account for something less than one-third of the whole loss, leaving more than two-thirds of the whole loss to the two factors of bad harvests and lowered prices. In what proportion it should be divided between these two factors is matter of controversy. Some persons would attribute the larger proportion to the bad harvests ; others think that this has had a much smaller effect than lowered prices ; but that both factors have had a great effect in causing loss to the farmers, all agree.

First three
a loss to
the Landed
Interest,
not to
the whole
Com-
munity.

Upon the questions of what is the total amount of loss and in what proportions it is to be attributed to each of these factors, I will not enter ; the important point for our present purpose is that it is only a portion of the farmer's loss due to bad harvests, which is a pure economical loss to the country. The rise of rent goes into the landlord's pocket ; the rise of wages to the labourer ; and if the farmer loses by the substitution of cheaper food from abroad, the consumers of that food gain in lowered prices. The present agricultural depression has, consequently, been confined, to a great extent, to the farming and land-owning classes. Farmers have suffered much, rents have been remitted or lowered, but the population generally has been little affected, and trade revived for a while during the worst times of agriculture. For the first time since the repeal of the Corn Laws, foreign competition, in supplying food to our people, has been unaccompanied by such

* Sir J. Caird says the rise went on until 1877. See C. 4,715, Qu. 7,677.

a rise in demand as to compensate, and more than compensate, the English agriculturist. Even now it is doubtful whether the recent fall in prices will have as great an effect in lowering the letting value of land as the increased demand for food, consequent on Free Trade, has had in raising it in former years.

So far, therefore, as lower prices are concerned, the nation is not a loser. The loss of the farmer and landowner is the gain of the rest of the people. But it is worth while to consider what, under a system of Free Trade, is the effect on the welfare of the entire community of so much of the farmer's loss as is really due to a bad harvest. That it is a loss to the agricultural interests, and consequently to the community, which includes those interests, there is no doubt; but to what extent does it affect the large majority of the population, who are neither farmers nor landowners? The loss which they suffer has, I believe, been both exaggerated and understated. In one of our anti-Free Trade journals I find the following passage:—

“Mr. Bright explains the depression of trade by the loss of millions through the insufficiency of harvests, and the inability of all persons interested in agriculture to make their accustomed purchases.

“But the Free Traders denied this. They said that foreign corn would pour in, and must be paid for, and would bring about a profitable exportation of non-agricultural products.”

Whether the Free Traders said this or not, I do not know. But the real state of the case seems to be as follows:—

Suppose that there is a deficiency of 10 million quarters—worth, say, 20 million pounds. The agricultural interest will lose this sum, and will be actually so much the poorer. They will be unable to exchange their corn for non-agricultural products, and, so far, trade will be injured. The argument above referred to as the argument of the Free Traders assumes that the same quantity of corn must be purchased abroad at the same price as would have been paid for the corn produced at home, and that the same quantity of non-agricultural produce must be exported to pay for it; and that, if so, manufacture and

What is the effect of Deficient Harvest on entire Community?

Agricultural depression ; effect of Bad Harvests.

trade will not suffer on the whole. But the above assumption is not strictly accurate, as the following considerations will show :—

1. Supposing the conditions of production abroad to remain the same, the corn brought from abroad will necessarily cost rather more than the home-grown corn would have cost, and the goods sent to pay for it will have to pay freight and expenses. This loss will fall on the whole community. If, indeed, as has been recently the case with ourselves, the importers of corn are also the carriers, the freight will return into the pocket of the nation.

2. The course of trade will be deranged, and this will be a loss to the manufacturer as well as to the agriculturist.

3. The foreign purchaser will not want so much of the same things as the home purchaser, and will probably have to be tempted by a lower price. He may want some things very much, as the United States wanted iron for railways in 1880. In that case, the price of iron would go up in England, but the price of other manufactures would go down.

4. The demand for corn will be large and immediate. Bills of America on England will be at a discount. Bills of England on America will be at a premium. The former will be in excess. There will be an immediate profit to America on the business, till the balance is redressed by the exports to America.

Consequently, in their different ways, the trading and manufacturing interests of England, as well as the agricultural interest, must suffer from our bad harvests ; but their suffering is comparatively small ; and under present circumstances is largely compensated, if not more than compensated, by the low prices of foreign food. What their suffering would be if foreign food were excluded, or raised in price by high duties, it is, in the present state of our population and of their employment, frightful to contemplate.

CHAPTER XXXIX.

COMMERCIAL DEPRESSION SUBSEQUENT TO 1873.

WE have already seen, in Chapter XXVIII., what an impetus our trade received in the period between 1840 and 1860. We know also how much the trade of France, as well as of England, grew after the treaty of 1860 ; and we may fairly ask our opponents, who are calling for a reversal of the policy which produced those benefits, to show not only that we have since that time been deprived of them, but that we should not have suffered that loss if we had not been Free Traders. We have a right to call upon them to define the specific evil of which they complain, and then to prove that it is due to Free Trade. I need not say that no such definition, no such proof, is forthcoming, and we are left with nothing but a vague shadow to fight with.

Let us, however, take such facts as we can lay hold of, and see how far they bear out the notion that we are losing our markets in the world.

Let us admit that our exports, as measured in nominal values, considerably diminished since those roaring years of prosperity, 1872 and 1873. They were 256 and 255 millions in those years, and 191 and 223 millions in 1879 and 1880. In 1882 they were 241 millions, and in 1884 233 millions, further decreasing to 213 millions in 1885. Let us admit, too, that this decrease of exports has been the sign and result of a real depression, and that both profits and wages have decreased since those so-called prosperous years. This in itself has nothing to do with the question at issue, unless it can be shown to arise from a permanent loss of market for our manufactures. Nothing whatever of the kind has been shown, or can be shown. But it can be shown that the prosperity of the earlier years of the decade is exaggerated ; that the depression is exaggerated also ; and that there are ample causes to account both for one and the other without assuming any

Burden of Proof lies on those who call for change of our Policy.

Commercial Depression subsequent to 1873.

falling off in the general demand for, or supply of, English goods.

Exaggera-
tion of
Prosperity
of 1872-73.

The prosperity of 1872 and 1873 has been immensely exaggerated. All persons engaged in producing coal and iron made, no doubt, enormous profits, but they were led by those profits into an extravagant expenditure, partly on personal expenses and luxuries, but still more on plant and machinery for increasing the output, which has flooded the market with excessive supply, and from which no adequate return has yet been received. This expenditure of capital in fixed and, at first, unremunerative investments, is one cause of subsequent depression. But whilst coal and iron masters made fortunes in those years, manufacturers and others who had to use coal and iron had to bear heavy outgoings, and their profits were reduced accordingly. Prices being high all round, people with fixed incomes suffered accordingly. Even the high wages of the time went less far than lower wages do when prices are lower. A great deal of the prosperity was apparent rather than real.

Depression
since 1873.
Statistics
founded on
Prices mis-
leading.

The statistics made the exports appear larger than they really were, because prices were so high. The quantities of goods exported, and the labour necessary to produce them, were as large in the subsequent years of depression as they had been in the years of inflation, but appear to be less because prices are so much lower. The exports of British produce were 255 millions in 1873, and 223 millions in 1880. If the exports of 1880 were valued at the prices of 1873 they would be 311 millions, or larger than those of any previous year.

Prices of
Raw Ma-
terial.

Imported raw material—*e.g.* cotton and wool—was much dearer in the period of inflation than in the subsequent period of depression, and consequently that portion of the exports which is due to British labour and capital differed in the two periods much less than appears at first sight by the figures of the total exports. For instance, the raw cotton imported in 1873 was about the same in quantity as the raw cotton imported in 1879. But the raw cotton used in our manufactures exported cost us 14 millions more in 1873 than the same quantity cost us in 1879.

The prices and exports of the inflated years were due to causes which were temporary and accidental, and brought with them a necessary reaction. Amongst other causes may be mentioned—

Temporary
Causes of
Inflation.

Expenditure of capital in this country on plant and machinery, not even yet fully reproductive.

Investments of English capital abroad, some of which were wholly unproductive—*e.g.* the bad foreign loans; and some of which were not immediately productive—*e.g.* American railways, but which are now in various ways bringing us a large return of imports.

Advances made to assist France in paying the German indemnity, which caused a large export from France and England to Germany at the time, and large exports from France to England and to Germany at a later time. I have given the figures which illustrate this process in the Tables VIII., IX., and X. in the Appendix.

All these causes have little to do with the permanent demand for goods; all of them largely increased our exports at the time; some of them proved in the end losses, whilst others have helped that increase in our subsequent imports which Fair Traders seem to dread even more than losses. The inflation, as well as the depression, is therefore fully accounted for without any reference to closed markets or decrease in permanent demand.

Depression
since 1873.

It is a complete mistake to suppose that extraordinarily large exports, very high prices, and a great demand for labour are necessarily signs of great and permanent prosperity; they are only signs of great activity. They may be caused by a continuous demand, and by good and reproductive investments of capital, in which case they are elements of permanent prosperity. But they may be caused by bad investments, by payment of debt, or by unproductive expenditure on war, or by other causes which may lead to absolute loss. If I employ a thousand men to dig a hole and fill it up again, I shall cause high wages, high prices, and great prosperity in my neighbourhood for a time; but my capital will be lost, and when the work is at an end there will be a sad reaction and relapse. These are very elementary truths, but they seem to be forgotten by many popular expounders of statistics.

Large Ex-
ports and
High Prices
not neces-
sarily Tests
of Pros-
perity.

Apprecia-
tion of
Gold.

In addition, there is another cause for a chronic and permanent diminution in the values of both exports and imports, to which I can only advert very shortly. Good statisticians are of opinion that the value of gold, as compared with commodities, is steadily on the rise, and that it has been so since the effect of the gold discoveries was exhausted. The question is too long and difficult to be discussed here. But if the statisticians are right, as they probably are, the rise in the value of gold will account not only for some diminution in the figures of value by which we estimate our trade, but for a general fall of prices, and also of wages, which are too frequently and hastily attributed to commercial depression and to a decline in the producing and consuming powers of mankind.

Depression
since 1873.
Apprecia-
tion of
Gold.

The effect of the appreciation of gold must be slow and gradual, and is often concealed by the greater immediate effect of fluctuations due to other causes. But its result in producing a feeling of depression is probably out of proportion to its real effect. Upon the real wealth of the country as a whole it has not necessarily any effect at all. If, as Hume has said, every one had to-morrow half as many sovereigns in his pocket as he has to-day, he would be neither richer nor poorer. He would buy or sell for half-a-sovereign what he has to buy or sell for a sovereign to-day. But a time of falling prices is notoriously a period of depression. It is a bad time for the larger merchants who carry on the great trades of the country. When they have to borrow money to complete their purchases, and it rises in value before they have to repay it, whilst the commodities which they buy fall in money value at the same time, they suffer actual loss; and this loss probably operates on their expectations and makes them less daring in business. Other classes gain what the merchant loses. The retail dealer, who can generally postpone a proportionate reduction of his retail prices, and the consumer who ultimately gets the benefit of the fall in price, share the gain between them. But it is the wholesale trader who carries on the large speculative business of the country, and who is listened to as its representative, and he is out of pocket and out of heart at a time of falling prices.

Since my second edition was published, the subject of the precious metals has assumed greater importance. The opinion that gold has risen in value, and that prices, and even wages, are much affected by the rise, continues to gain ground, and remedies of different kinds are proposed. It is out of the question here to approach the question of the currency, which is only remotely connected with the more immediate subject of this book; but it may not be impertinent to urge that, although it is quite true that a greater or smaller quantity of coins does not add to or take from the wealth of a country, yet an increase of the precious metals and a consequent rise of prices causes a rise in spirits, a sanguine feeling, and a tendency to speculation, which results in an actual increase of business; whilst a diminution in the precious metals causes a lowering of spirits, a feeling of depression, and an indisposition to speculate, which results in an actual decrease of business. If this is the fact, it would be well worth while that the much-disputed facts concerning the present relations of gold and silver to each other and to commodities should be made the subject of a special authoritative inquiry. If such an inquiry should not result in suggesting any effectual remedy, it would still be useful in clearing men's minds as to the facts, and in removing such impediments to a resumption of business as arise from vain imaginations. So far as depression is a "mental attitude," such an inquiry might operate as a cordial and a cure.

There is another cause for chronic depression—or, rather, for a feeling of chronic depression—to which it is worth while to advert. We are told that a great change is taking place in the mode in which foreign trade is conducted. Before the times of steam and telegraph there was a long interval of time and space between the commencement and the end of a transaction, between the original purchase and the final sale. This afforded great scope for the merchant or middleman; and his profits depended upon the judgment and skill with which he could forecast distant and future markets. At the present time the state of markets is known everywhere at once by telegraph, and the period of transport is abridged by steam. Stocks in hand need no longer be as large as formerly. The

Change in
Mode of
Doing
Business.

Change in
Mode of
Doing
Business.

original vendor and final purchaser are brought nearer together, and the opportunities for the skill and judgment of the middleman are curtailed. The world gains on the whole by the change, but the old-fashioned merchants, who have done so much to make England what she is, suffer or are extinguished, and from that powerful and important class we have the natural cry that trade is bad, although at the same time the bulk of transactions is greater than ever.

Both these causes—viz. an appreciation of gold and a change in the methods of trade—affect the same class, a class which is naturally influential in specially expressing its feelings of depression. That such a class should suffer is to be lamented. But the losses of this class are the gains of other classes, and it would be wrong to suppose that they constitute any real diminution in the wealth or prosperity of the country as a whole.

CHAPTER XL.

DEPRESSION AT THE PRESENT MOMENT AT HOME.

Since 1880
there has
been
revival
and sub-
sequent
depression.

SINCE the two preceding chapters were first written in 1880, there has been a short revival of trade in this country, followed by a depression, which still exists. The following chapters remain almost as written last year for the second edition, although, especially after the investigations of the Royal Commission, they are very inadequate. But the Commission has not yet reported finally, and to treat the subject adequately would require more time and space than can be given here. There is the less reason for attempting the task, because the investigations which have taken place show conclusively that the present depression is universal among trading nations, and that it affords no ground whatever for throwing any doubt on the soundness of our own commercial policy. The following are facts and figures which illustrate the extent and nature of the present depression in this country:—

I.—*Agricultural Depression has continued.*

Bad seasons for the farmer continued until 1884; and the fair average crops of that and last year brought him little benefit in consequence of the low prices caused by the glut of foreign corn. Agricultural wages continued to rise until recently; and though they are now falling, they are high as compared with former years. Rents have been largely reduced. The conversion of arable land into pasture has continued without intermission for a number of years. The number of sheep was still in 1885 $1\frac{1}{2}$ millions less than in 1879. The demand for agricultural labour must have diminished. The injury to land done by a succession of bad seasons and by want of due cultivation is cumulative. It costs a great deal to bring into order a farm which has for years been neglected.

In all these ways the agricultural classes have suffered and continue to suffer. The loss of crops by bad seasons, by diminution in stock, and by deterioration of land, is an economical loss to the country generally; and so also is the loss of employment when the labourer is not, from want of versatility or for other reasons, able to find other employment. The rise and fall of rent or wages, and the low price of foreign corn, are not, as pointed out in Chapter XXXVIII., an economical loss to the country generally, but they cause suffering and inconvenience to particular classes, whilst benefiting others, and thus aggravate the general feeling of distress. What is the pecuniary amount of loss sustained by the agricultural classes, and how much of it is an absolute loss to the nation, it is impossible to estimate with certainty, but it is, no doubt, a real and efficient cause of temporary depression. Of one thing we may be sure, viz. that if we should again have good seasons, and if the land should again bring forth its full and fair produce, the other causes of agricultural distress, whatever their social or political effect, will not, under the Free Trade régime, be an economical loss to the country.

It must also be remembered that agricultural depression does not apply to the whole of the United Kingdom, but to the corn districts exclusively, or, at any rate, specially. The grazing districts have not suffered, or, at any rate, not in like proportion.

Causes of depression at present moment.
1. Agricultural.

Causes of depression at present moment.
1. Agricultural.

Care must also be taken not to confound agricultural distress with distress of the landed interest. A great and increasing part of the land of England is used for mining, manufacturing, and residential purposes. Its value increases with the growing wealth of the country, and is not affected by the failure of harvests. The losses of the landed classes, and the silence and dignity with which they have been borne, should not prevent us from remembering what are the limitations of those losses.

2.—*Depression in Shipping.*

2. Boom and subsequent collapse in shipping.

A second cause of depression is to be found in the "boom" in shipping which culminated in 1883 and collapsed in 1884. I have elsewhere (in Chapter XLVI.) referred to the particulars of the collapse. At a period when the interest of money was falling, and when investors had a difficulty in placing their funds, came an unprecedented demand for freights for corn, iron, and other commodities. Investors rushed madly into shipping, and the result has been a collapse of the trade here and throughout the world, accompanied by the most serious catalogue of losses by shipwreck we have ever experienced, which, though falling primarily on insurers, are nevertheless borne in the end by the nation.

3.—*American Railways.*

3. Boom and collapse in United States railways.

In the third place, there has been a similar "boom" in American railways, as I have shown below, and a similar collapse.

4.—*Boom and Collapse in Iron.*

4. Consequent revival and subsequent depression in iron trade.

In the fourth place, these two "booms" in English shipping and in American railways have told upon the great iron and steel industry of this country. An exceptional and excessive demand has been followed by an excessive supply, a cessation of demand, and a glut, which still continues. The following is from the *Economist* of 10th of January, 1885 :—

"Looking back at the history of the iron trade during the past few years, it is abundantly evident that the present

troubles are traceable to the 'spurt' of 1879 and 1880. The evils begotten of the 'boom' of 1872-4 were, in one respect, less than those following in 1879-80. In the former period, there was scarcely any increase in the production of the world, whilst in 1880 and succeeding years the increase was quite remarkable, as the following figures will show :—

Causes of depression at present moment.
4. Iron

Production of Pig-iron throughout the World in thousands of tons.

| | | | | | | |
|-----------------|-----|-----------------|-----|-----------------|-----|-----------------|
| 1883. 20,239 | ... | 1882. 20,075 | ... | 1881. 18,966 | ... | 1880. 17,485 |
| 1879. 13,768 | ... | 1877. 13,430 | ... | 1874. 13,057 | ... | 1872. 13,906 |

The great inflation in prices which took place during the years 1871-5, coupled as it was with a corresponding rise in wages, led to some relaxation in the energy of the British workman, and so the evil of over-production was restrained. It took till 1879 to bring prices back to something like their normal condition, and had it not been for the breaking out of the American demand at the close of that year, we would have likely witnessed that 'natural' revival which seems to follow in recurring cycles. Instead of this, everything was thrown out of the natural order, and we are now passing through the period of reaction necessary to put matters right again. The development caused by the spurt of 1879-80 may be the better understood from the following figures, showing the extension of trade in rails, shipbuilding, etc. :—

Production of Rails in the United Kingdom.

| | | | | | | | | |
|-----------------------------|-----|-----------------------------|-----|-----------------------------|-----|---------------------------|-----|---------------------------|
| 1883. Tons. 1,037,194 | ... | 1882. Tons. 1,235,785 | ... | 1881. Tons. 1,023,740 | ... | 1880. Tons. 739,910 | ... | 1879. Tons. 519,718 |
|-----------------------------|-----|-----------------------------|-----|-----------------------------|-----|---------------------------|-----|---------------------------|

Total Tonnage of Ships built in the United Kingdom.

| | | | | | | | | |
|-----------------------------|-----|-----------------------------|-----|-----------------------------|-----|---------------------------|-----|---------------------------|
| 1883. Tons. 1,329,604 | ... | 1882. Tons. 1,240,824 | ... | 1881. Tons. 1,013,208 | ... | 1880. Tons. 796,221 | ... | 1879. Tons. 569,462 |
|-----------------------------|-----|-----------------------------|-----|-----------------------------|-----|---------------------------|-----|---------------------------|

We estimate the total production of 1884 at 7,600,000 tons, against 6,009,434 tons in 1879. The fact here revealed explains one of the causes of the present depression.

"Large though the volume of trade was in 1884, it was

Causes of
depression
at present
moment.
4. Iron.

very considerably under that of former years. The exports of iron and steel were over 500,000 tons less than in 1883, and 800,000 tons less than in 1882. At home the greatest depression was experienced in connection with shipbuilding and engineering. It is estimated that the tonnage launched was at least 500,000 tons less than in 1883. This would represent at least 300,000 or 350,000 tons less iron and steel consumed. These figures, taken in connection with some depression in other branches, would represent a reduction of at least 900,000 tons in the trade of 1884, when compared with the year preceding."

It is probable that the substitution of steel for iron is one cause of the boom, and of the subsequent reaction. The demand for the new article, steel, gave a great stimulus to the manufacture. That demand has been supplied, and the new article is much more durable than the old. Hence a falling off in the demand.

5.—*Glut of Corn.*

5. Glut of
Corn.

Fifthly, there has been a glut of corn. Not that more corn has been produced than is needed, but more corn than could be paid for at prices sufficient to remunerate the growers, who have suffered, and are suffering, accordingly.

6.—*Wars and Tariffs.*

6. Wars
and Protec-
tive Tariffs.

Sixthly and lastly, human stupidity and human passions have had something to answer for—partly in wars and rumours of war; partly in the Protectionist remedies which many countries are adopting—remedies which can only aggravate the disease. The evil to be cured is, not that there is more of anything in the world, especially of food, than people want, but that it is in the wrong place or in the wrong hands. One would have thought that, so far as men are able to cure this evil by law, they would try to do so by removing all legal impediments which prevent a transfer to the right place or to the right hands of things which are in the wrong place or in the wrong hands. But instead of this, many nations are multiplying these impediments, and our Fair Trade friends would fain have us follow their mad examples.

The following statistics for the last six years show that the depression in this country has not hitherto been of an extreme kind :—

Extent of depression.
Statistics—
1879 to
1884.
Trade.

Value of Imports and Exports.

| | Total net Imports in millions of pounds. | | | Total Exports of British produce in millions of pounds. | | |
|------|--|----|-----|---|----|-----|
| 1879 | .. | .. | 306 | .. | .. | 192 |
| 1880 | .. | .. | 348 | .. | .. | 223 |
| 1881 | .. | .. | 334 | .. | .. | 234 |
| 1882 | .. | .. | 348 | .. | .. | 241 |
| 1883 | .. | .. | 361 | .. | .. | 240 |
| 1884 | .. | .. | 327 | .. | .. | 233 |
| 1885 | .. | .. | 313 | .. | .. | 213 |

In considering these figures it must be remembered that they denote value, not quantity; that prices have fallen; and that, though money values may be less, the amount of useful commodities may be as great as before.

Entries and Clearances at Ports in the United Kingdom in millions of tons.

Entries and clearances of shipping.

| | Total. | | Sailing. | | Steam. | |
|------|--------|----|----------|-----|--------|-----|
| 1879 | .. | 53 | .. | 20 | .. | 33 |
| 1880 | .. | 59 | .. | 22 | .. | 37 |
| 1881 | .. | 58 | .. | 19 | .. | 39 |
| 1882 | .. | 61 | .. | 18 | .. | 43 |
| 1883 | .. | 65 | .. | 17 | .. | 48 |
| 1884 | .. | 64 | .. | 14½ | .. | 49½ |
| 1885 | .. | 64 | .. | 14½ | .. | 49½ |

Receipts from Railway Traffic in millions of pounds.

Railways.

| | Goods. | | Passengers. | | Total | | 3rd Class Passengers only | |
|------|--------|-----|-------------|----|-------|----|------------------------------|----|
| 1879 | .. | £33 | .. | 26 | .. | 59 | .. | 14 |
| 1880 | .. | 36 | .. | 27 | .. | 63 | .. | 15 |
| 1881 | .. | 37 | .. | 28 | .. | 65 | .. | 15 |
| 1882 | .. | 38 | .. | 29 | .. | 67 | .. | 16 |
| 1883 | .. | 39 | .. | 29 | .. | 68 | .. | 17 |
| 1884 | .. | 38 | .. | 30 | .. | 68 | .. | 18 |
| 1885 | .. | 37 | .. | 30 | .. | 67 | .. | 18 |

Coal and Iron produced in thousands of tons.

Coal and iron.

| | Coal. | | | Pig Iron. | | |
|------|-------|----|---------|-----------|----|-------|
| 1879 | .. | .. | 133,808 | .. | .. | 5,995 |
| 1880 | .. | .. | 146,819 | .. | .. | 7,749 |
| 1881 | .. | .. | 154,184 | .. | .. | 8,144 |
| 1882 | .. | .. | 156,500 | .. | .. | 8,587 |
| 1883 | .. | .. | 163,737 | .. | .. | 8,529 |
| 1884 | .. | .. | 160,758 | .. | .. | 7,812 |
| 1885 | .. | .. | 159,351 | .. | .. | 7,415 |

Extent of
depression
at present
moment,
Cotton.

| | | | <i>Cotton.</i> | | | |
|------|----|----|---|----|--|-------|
| | | | Raw Cotton used in millions of pounds. | | Yards of piece goods exported in millions of yards. | |
| 1879 | .. | .. | 1,173 | .. | .. | 3,725 |
| 1880 | .. | .. | 1,373 | .. | .. | 4,496 |
| 1881 | .. | .. | 1,439 | .. | .. | 4,777 |
| 1882 | .. | .. | 1,461 | .. | .. | 4,349 |
| 1883 | .. | .. | 1,510 | .. | .. | 4,539 |
| 1884 | .. | .. | 1,466 | .. | .. | 4,417 |
| 1885 | .. | .. | 1,343 | .. | .. | 4,374 |

Wool.

| <i>Raw Wool used in millions of pounds.</i> | | | | | |
|---|----|-----|------|----|-----|
| 1879 | .. | 321 | 1883 | .. | 340 |
| 1880 | .. | 370 | 1884 | .. | 381 |
| 1881 | .. | 320 | 1885 | .. | 365 |
| 1882 | .. | 357 | | | |

Consumption
of
sugar, tea,
&c.

| <i>Consumption per head of certain articles.</i> | | | | | | | | | | |
|--|----|---------|----|------|----|---------|----|----------|----|----------|
| | | Sugar.* | | Tea. | | Coffee. | | Tobacco. | | Spirits. |
| | | lbs. | | lbs. | | lbs. | | lbs. | | gallons. |
| 1879 | .. | 65'95 | .. | 4'68 | .. | 1'00 | .. | 1'40 | .. | 1'11 |
| 1880 | .. | 63'40 | .. | 4'57 | .. | 0'92 | .. | 1'42 | .. | 1'09 |
| 1881 | .. | 67'33 | .. | 4'58 | .. | 0'89 | .. | 1'41 | .. | 1'08 |
| 1882 | .. | 70'46 | .. | 4'67 | .. | 0'88 | .. | 1'42 | .. | 1'07 |
| 1883 | .. | 71'74 | .. | 4'80 | .. | 0'89 | .. | 1'42 | .. | 1'06 |
| 1884 | .. | 72'18 | .. | 4'87 | .. | 0'90 | .. | 1'44 | .. | 1'03 |
| 1885 | .. | 74'28 | .. | 5'02 | .. | 0'90 | .. | 1'45 | .. | 0'97 |

* Sugar is used in manufacture of jams, biscuits, &c., as well as in direct consumption.

Pauperism.

Average number of Paupers in receipt of relief in England and Wales in each year, ending Lady Day.

| | | | | Average Numbers. | | Numbers per 1000 of population. | |
|------|----|----|----|------------------|----|------------------------------------|----|
| 1879 | .. | .. | .. | 765,455 | .. | .. | 30 |
| 1880 | .. | .. | .. | 808,030 | .. | .. | 32 |
| 1881 | .. | .. | .. | 790,937 | .. | .. | 31 |
| 1882 | .. | .. | .. | 788,289 | .. | .. | 30 |
| 1883 | .. | .. | .. | 782,422 | .. | .. | 30 |
| 1884 | .. | .. | .. | 765,914 | .. | .. | 29 |
| 1885 | .. | .. | .. | 768,938 | .. | .. | 28 |

It appears, further, from the monthly returns of pauperism which have been issued, that the average number of indoor and outdoor paupers relieved during the calendar years 1884 and 1885 were as follows:—

| | | | | |
|------|----|----|---------|---|
| 1884 | .. | .. | 700,745 | } Exclusive of about 52,000 pauper lunatics and 5,000 vagrants. |
| 1885 | .. | .. | 706,858 | |

During the first three months of 1886 the corresponding figure was 773,656, the average for the same period of 1885 having been 736,406.

Extent of depression at present moment.

Deposits in Savings Banks in millions of pounds.

| | Post Office Banks. | | | | Trustees. | | Total. | Savings Banks. |
|------|--------------------|----|----|----|-----------|----|--------|----------------|
| 1879 | .. | .. | 32 | .. | .. | 44 | .. | 76 |
| 1880 | .. | .. | 34 | .. | .. | 44 | .. | 78 |
| 1881 | .. | .. | 36 | .. | .. | 44 | .. | 80 |
| 1882 | .. | .. | 39 | .. | .. | 45 | .. | 84 |
| 1883 | .. | .. | 42 | .. | .. | 45 | .. | 87 |
| 1884 | .. | .. | 45 | .. | .. | 46 | .. | 91 |
| 1885 | .. | .. | 48 | .. | .. | 46 | .. | 94 |

The Savings Banks also held the following amounts of Government stock for depositors :—

| | | | | | | | | | |
|------|----|----|----|----|----|----|----|----|----|
| 1883 | .. | .. | 1½ | .. | .. | 1½ | .. | .. | 1½ |
| 1884 | .. | .. | 2 | .. | .. | 2 | .. | .. | 2½ |
| 1885 | .. | .. | 2½ | .. | .. | 2½ | .. | .. | 3 |

The statistics of bankruptcy and of emigration I do not give here, as I have referred to them in Chapter XLII.

I have said elsewhere that the causes of depression are so many and so various that it would be erroneous in the extreme to draw absolute conclusions from particular instances without a full knowledge of all the conditions. To attribute the prosperity of this country to Free Trade alone is a fallacy, which enables its opponents to turn the tables on us when that prosperity suffers a check. But if we can show that other countries—and especially countries which have adopted Protection—are suffering from the present depression as much as or more than we do, we may fairly conclude that our present evils are not due to Free Trade, and would not be removed by Protection. If we can further trace in some of these cases a connection between Protection and the evils from which Protectionist countries are suffering, we shall raise a further presumption in favour of a Free Trade policy.

Depression in other countries.

The reports made by our Ministers and Consuls abroad enable us to say, in the first place, that commercial depression—understood in the sense in which we use it in this country, viz. as a shrinkage of values, of prices, and of profits, not of volumes—is universal throughout the in-

dustrial world. Over-production, glut, and a reduction of prices and profits are complaints echoed and re-echoed from every country on both sides the Atlantic. To give the particulars for all countries would be impossible, but it is worth while to consider carefully the case of two or three of them.

Of the present depression in Germany I have given a short account in Chapter XXXV., which deals with the interesting subject of the development of German manufacture. France, which has started on the course of Protection, the United States and Russia, which have almost reached the goal, and Belgium, which still adheres to the Free Trade policy, each deserve separate chapters.

CHAPTER XLI.

PRESENT COMMERCIAL DEPRESSION IN FRANCE.

Depression
greater in
France
than in
England.

THERE can be no doubt that the depression in France has been, and is, very great; greater, probably, than the depression in England. Taking the quinquennial period ending with 1884, our imports, reckoned in value, have diminished by $\frac{1}{16}$ th, those of France by $\frac{1}{4}$ th; our exports have increased, whilst hers have diminished. The reports from all parts of France are to the same effect.* From Paris, from Lyons, from Marseilles, from Rouen, from Lille, from Havre, from Nantes, from the colliery districts, from the iron districts, from the shipping ports, whose shipbuilding has not been revived by bounties; from the wine districts, from the beet and sugar districts, from the corn districts, the tale is the same: over-production, low prices, low profits, and even in some places largely diminished production, and numbers of men out of work. The following are a few of the specific facts. The Paris business

* See Reports from Mr. J. A. Crowe, and from British Consuls in France. Second Report of Royal Commission on Depression of Trade, App., Part II., pp. 124 to 157.

is officially reported to have decreased in 1884 by an amount which, measured in money, would be £40,000,000, and wages too have decreased by £14,000,000. The number of hands permanently idle was reported to be 180,000; of hands temporarily out of work to be 48,000. Pauperism and relief had largely increased. The population of Paris is thought to have been seriously diminished. The export of *articles de Paris* and of Paris dress goods and ornaments fell off from £8,400,000 in 1875 to £5,600,000 in 1883, and to £4,720,000 in 1884. The yield of the Paris *octroi* fell off from six millions sterling in 1882 to £5,600,000 in 1884, and decreased yet more in 1885. At St. Etienne the silk produced had decreased from 93 to 43 millions of francs, and the hands employed in the gun trade from 10,000 in 1880 to 1,200 in 1884. At Lyons 100,000 of the hands employed were said to be hard hit. The exports of silk goods from France, which were worth nearly 420 millions of francs in 1874, were worth only 300 millions in 1883. The iron produced in the district of the Loire has fallen off by one-fifth. In the iron works of the Rhone district two-thirds of the workmen were said to be out of work. Coals, of course, followed suit. The exports of French woollen goods had fallen off by 1,500,000 kilos. Still worse has been the state of agriculture. Rents have fallen largely, small homesteads are deserted. The number of cattle in France, reported as 14,000,000 in 1852, are said to be now only 11,500,000. Sheep had been reduced from 33,000,000 to 22,000,000. Add to such facts as these the further fact that British trade with France, according to the French trade accounts, has suffered less than the trade of France with the rest of the world.

Paris
Trade.Lyons
Trade.Agricul-
ture.

The depression in France is attributed to many causes, some of which—such as general over-production, low prices, and small prices—it shares with other countries; but there are others peculiar to itself, some of which are inevitable, whilst some are due to human folly. The cholera, and the phylloxera, and changes in fashion, arise from causes which no amount of wisdom or statesmanship could have prevented. But the glut in iron and sugar have been, in part, at any rate, caused by Protective duties and by bounties; the difficulties of the silk manufacture have

Causes of
depression.

Causes of
depression.

been aggravated, if not caused, by the Protective duty on cotton yarns ; other manufactures suffer in like manner by Protective duties on the materials which they require ; agriculture has suffered by the duties which make manufactures artificially dear, and is now revenging itself by making bread and meat dear to the artisans. The heavy taxation caused by the German war is a serious burden on all French industry, and this has been aggravated by M. Freycinet's policy of subsidising public works extravagantly at the cost of the general taxpayers. The *octroi*, a tax on articles of town consumption, is believed by Mr. Crowe to act even more in restraint of trade than the Customs tariff. It amounts to nearly £6,000,000 in Paris, and to nearly twice that amount in the whole of France. Our Fair Traders, it will be remembered, desire to place duties on French manufactures imported into England, on the ground that French manufacturers do not pay English taxes. It is pretty clear from these reports that the French manufacturer complains, and has good reason to complain, of his own taxation ; and that even if it were possible to shift the burden of taxation from the English to the French manufacturer, by imposing Customs duties on French goods, no case could be made for doing so founded on the comparative immunity from taxation of the Frenchman.

It is also clear from these reports that France is suffering from commercial depression at least as much as, and probably much more than, England ; that some of her protected industries are suffering the most, and that this suffering is in part due to Protection itself.

CHAPTER XLII.

PRESENT DEPRESSION IN THE UNITED STATES.

FROM the United States we have similar accounts, though the prospect, fortunately, appears to be now brightening a little. Mr. William B. Forwood, of Liverpool, a most competent witness, said, in a letter to the *Standard* of 16th December, 1884 :—" It is not merely that the depression is intense ; there are towns where not a single factory has worked for months past, and tens of thousands of working men are literally starving, but there is no hope that things can be better—their only customers are their own people ; the tariff practically prohibits exports, and it is said that there are sufficient cotton and woollen factories and ironworks to produce in six what they can consume in twelve months."

Depression
in the
United
States.

The following is the account of the condition of United States manufactures given by Mr. McCulloch, Secretary to the United States Treasury, in his annual report for 1884 :—

" What the manufacturers now need is a market for their surplus manufactures. . . . After the war, stimulus was found in railroad building, and in extravagant expenditures induced by superabundant currency, and the time has now come when the manufacturing industry of the United States is in dire distress from plethora of manufacturing goods.

Mr. McCulloch's
report on
the glut in
manufac-
tures in
the United
States.

" Some manufacturing companies have been forced into bankruptcy ; others have closed their mills to escape it ; few mills are running on full time, and, as a consequence, a very large number of operatives are either deprived of employment or are working for wages hardly sufficient to enable them to live comfortably, or even decently.*

* From the *British Trade Journal* of 1st March, 1886, p. 148, we learn that the cotton manufacturers of Massachusetts are still having a very bad time. Out of 37 mill's mentioned, 24 paid no dividend in 1885, and 6 more only 1 per cent.

Depression
in the
United
States.

"The all-important question that presses itself upon the public attention is : How shall the country be relieved from the plethora of manufactured goods, and how shall plethora hereafter be prevented ? It is obvious that our power to produce is much in excess of the present or any probable future demand for home consumption. The existing iron, cotton, and woollen mills, if employed at their full capacity, could meet in six months—perhaps in a shorter time—the home demand for a year. It is certain, therefore, that unless markets now practically closed against us are opened—unless we can share in the trade which is monopolised by European nations—the depression now so severely felt will continue, and may become more disastrous."

Again he tells us that the total value of the exports of domestic merchandise amounted to 725 millions of dollars, as against 804 millions in the preceding year, showing a decrease of nearly 80 millions ; and he points out that, as regards shipping, the United States have almost ceased to be a maritime power—only 17 per cent. of her trade being carried in her own vessels. It is not often that a Minister can be found to give so unfavourable an account of the industrial conditions of his own country. But, unfavourable as it is, it is borne out, and more than borne out, by details obtained from other sources.

Farming in the United States.

Agriculture.

No full inquiry has been made into the state of the agricultural interest of the United States, but there is general evidence that the American corn farmer is depressed no less than his brother. Thus we are told that wheat cannot be produced by American farmers at existing prices ; that the area of wheat has been diminished ; that the farms in the West are highly mortgaged at a high rate of interest amounting to as much as 10 per cent. ; that these advances were made on the basis of 80 cents to the dollar per bushel ; and that wheat is now selling at 16 to 40 cents, the expense of production being 40 cents per bushel.*

* *Standard*, 29th of December, 1884.

Railways in the United States.

Again, if we take United States railways, the fall in their value during 1884 is very remarkable. Nearly forty companies, with an aggregate length of 11,000 miles, and £143,000,000 of capital and debt, went into the hands of receivers.* About 10 per cent. of the entire railway mileage and of the normal capital invested in railway stock and bonds of the United States went into liquidation. Nor did this process end with 1884. In solvent companies the "shrinkage" is very great. Mr. Atkinson† estimates "that 7,000,000,000 dollars' worth of railway property apparently depreciated at least 1,500,000 dollars within the year—or, in other words, that perhaps 1,000,000,000 dollars of water (nominal capital) has been squeezed out, and during the process the true value of the remainder has been temporarily depressed 500,000,000 dollars." He points out the obvious reason—viz. that whilst during the previous four years the grain, hay, and meat crops of the United States, which constitute one half the substances moved by railway, have not increased more than 10 per cent., the railway mileage has increased by 40 per cent.—viz. from 86,497 miles to 121,543 miles.‡ In a letter to *Bradstreet's Journal* of February 7th, 1885, the same statistician says that in 1882 about 650,000 men, mostly labourers, were employed in the mere construction of railroads, and that in 1884 not more than 220,000 were occupied in this work—thus throwing out of this work above 430,000 men.

Depression
in the
United
States.

Railways
in the
United
States.

Bankruptcies in the United States.

Take, again, bankruptcies. The number of mercantile failures in the United States in 1884 was larger than had been ever known—even in the disastrous year 1878. The following is an extract from *Bradstreet's Journal* of December 27th, 1884:—

Bankrupt-
cies in the
United
States.

"The rate at which the increase in mercantile mortality throughout the country, dependent in part, of course, on the increase in number of business ventures, may be

* *Economist*, 17th January and 16th May, 1885.

† "Distribution of Products," p. 263. Putnam, 1885.

‡ *Ibid.*, pp. 235, 238, 240, 258.

r
in the
United
States.

gathered from the following extract from *Bradstreet's Journal* :—

"Failures in the United States for Six Years."

| Year. | Number of Failures. | Aggregate Assets. | Aggregate Liabilities. | P. c. Assets to Liabilities. |
|-------|---------------------|-------------------|------------------------|------------------------------|
| | | \$ | \$ | |
| 1879 | 6,652 | 48,906,000 | 99,636,000 | 49 |
| 1880 | 4,350 | 27,430,000 | 57,120,000 | 48 |
| 1881 | 5,929 | 35,964,000 | 76,094,000 | 47 |
| 1882 | 7,635 | 47,469,000 | 93,238,000 | 51 |
| 1883 | 10,299 | 90,804,000 | 175,968,000 | 52 |
| 1884* | 11,600 | 130,000,000 | 240,000,000 | 54 |

* Partly estimated.

"Here is a probable increase of over 12 per cent. in the total number of failures for 1884 as against 1883, a probable gain of 44 per cent. in assets and of 37 per cent. in liabilities. The totals for 1884, furthermore, promise to exceed any previously recorded annual total, the largest heretofore having been given as 10,500 failures in 1878, with 234,000,000 dollars liabilities. If a comparison may be instituted between 1884 and 1878, with these totals, we find that the current year is likely to have 1,100 more failures than that in which the greatest commercial depression was experienced prior to the revival of trade in 1879, and that the total liabilities of failing trades in 1884 promise to be about 6,000,000 dollars greater."

The actual figures for 1884, together with those for 1885, as given in *Bradstreet's* for January 9th last, are :—

| Year. | Number of Failures. | Aggregate Assets. | Aggregate Liabilities. | P. c. Assets to Liabilities. |
|-------|---------------------|-------------------|------------------------|------------------------------|
| | | \$ | \$ | |
| 1884 | 11,620 | 134,620,000 | 248,740,000 | 54 |
| 1885 | 11,116 | 55,265,000 | 119,120,000 | 46 |

Compare these figures with those of bankruptcies in England, for which the official figures are as follows :—

Number of Bankruptcies proper, Liquidations, Schemes of Arrangement, and Compositions.

| | No. |
|-------------|-------|
| 1881 | 9,727 |
| 1882 | 9,041 |
| 1883 | 8,555 |
| 1884 | 4,192 |
| 1885 | 4,354 |

Bankruptcies in England.

Considering the effect of the Bankruptcy Act of 1883, it would, of course, not be fair to take these English figures as absolute tests of the comparative commercial solvency of the trading classes in the several years referred to. The Act of 1883 has probably had the effect of preventing official insolvencies, and also of increasing private arrangements, though whether this has been the case to any great extent is very uncertain. But it may, at any rate, be concluded from the above figures that there was no special unsoundness in the trade of England during the years 1884 and 1885, such as is shown by the insolvencies in the United States.

Clearing House Business in the United States.

Take again the amounts cleared at the London Bankers' Clearing House, and in New York, in each of the years from 1878 to 1884 inclusive :—

Clearing House business in the United States and in England.

IN THOUSANDS OF £'s.

| Years. | AT THE LONDON BANKERS' CLEARING HOUSE. | | | IN NEW YORK. | | |
|--------|--|--|-----------|------------------------|--|-----------|
| | Total amounts cleared. | Increase or decrease in each year compared with the previous year. | | Total amounts cleared. | Increase or decrease in each year compared with the previous year. | |
| | | Amount. | Per cent. | | Amount. | Per cent. |
| | 100 £'s | 000 £'s. | | 100 £'s. | 000 £'s. | |
| 1878 | 4,992,000 | —50,000 | —1'0 | 3,238,367 | (?) | —3'3 |
| 1879 | 4,886,000 | —106,000 | —2'1 | 4,367,153 | +1,128,786 | +34'9 |
| 1880 | 5,794,000 | +908,000 | +18'6 | 5,203,381 | +836,228 | +19'1 |
| 1881 | 6,357,000 | +563,000 | +9'7 | 6,871,226 | +1,667,845 | +32'1 |
| 1882 | 6,221,000 | —136,000 | —2'1 | 6,570,436 | —300,790 | —4'4 |
| 1883 | 5,929,000 | —292,000 | —4'7 | 5,190,142 | —1,380,294 | —21'0 |
| 1884 | 5,799,000 | —130,000 | —2'2 | 3,980,604 | —1,209,538 | —23'3 |
| 1885 | 5,511,000 | —288,000 | —5'0 | 3,581,767 | —398,837 | —10'0 |

NOTE.—The business revived in both countries in 1880-1, in the United States more than in England; and fell off in both countries from 1883 to 1885, but in the United States far more than in England.

Emigration to the United States.

Depression
in the
United
States.

Emigration
to the
United
States.

Emigration, properly understood, is another test of comparative depression. The principles which govern emigration between this country and the United States, as shown in Mr. Giffen's annual reports, appear to be as follows:—* Immigration has to be taken into account as well as emigration, and there is at times a considerable immigration into this country from the United States, so that it is the balance of emigrants over immigrants to which we must look. In the present state of land and labour in the two countries the prevailing attraction is with the United States, which has the larger quantity of unoccupied land; and the great current of emigration flows, therefore, from England to the United States. But not only so. The attraction in each country fluctuates with the state of trade—it is greater in each country when trade is good, and less when trade is bad. The fluctuations of trade in the United States are greater than they are in England, partly in consequence of their Protective system, but also in consequence of other and more important causes.† The attraction of the United States for labour is consequently, at a period of good trade, not only positively, but proportionately, stronger than that of this country. If we could have a time when trade in the United States was very good, and trade in England very bad, we should have the maximum of attraction in the United States, and the largest amount of emigration from this country. But the two countries are so connected in business that trade is generally good in the one country at or about the same time at which it is good in the other, and *vice versa*. Under these conditions, when trade is good, or fairly good, in both countries, the attractions of the United States are, as we have seen, not only positively, but proportionately greater than at other times, and consequently at such times the balance of emigration to the United States increases. This accounts for the fact that emigration is often greatest when times are good in this country, a fact which has been perverted by the Fair Traders into a suggestion that emigration is the real reason

* See Mr. Giffen's Report on Emigration, Parliamentary Paper, No. 52, of 1885, and preceding reports.

† See Mr. Giffen's "Essays on Finance," No. iv., page 133, on the depression of trade in raw material producing countries.

why pauperism diminishes ! * When the times become less good in both countries, the comparative attraction of the United States becomes less powerful, a return tide of immigration sets in, and the balance of emigration from this country becomes less. This is what has happened lately.

Depression
in the
United
States.
Emigra-
tion.

There was a revival of trade in 1880, which went on till 1882-1883, and the balance of emigration from this country and into the United States went on increasing. About that time depression commenced in both countries. The balance of emigration following this depression consequently decreased, showing that the comparative attraction of the United States for the labour of this country decreased—or, in other words, that the United States have been having a very bad time. There are symptoms that things in the United States are now on the mend, which is a hopeful sign for us, as the pendulum of trade, in its ordinary oscillations, moves both faster and farther in the United States than it does with us. Subjoined are the figures for recent years :—

Total arrivals in, and departures from, the United States, from and to all countries.

| | Arrivals. | Departures. | Excess of arrivals over departures. |
|---------|------------|-------------|--|
| 1879 .. | 253,210 .. | 117,385 .. | 135,825 |
| 1880 .. | 534,465 .. | 109,007 .. | 425,458 |
| 1881 .. | 743,712 .. | 112,072 .. | 631,640 |
| 1882 .. | 869,144 .. | 133,496 .. | 735,648 |
| 1883 .. | 712,515 .. | 157,954 .. | 554,561 |
| 1884 .. | 649,491 .. | 187,706 .. | 461,785 |
| 1885 .. | 535,009 .. | 243,890 .. | 291,119 |

Emigration to, and immigration from, the United States, from and to the United Kingdom, of persons of British and Irish origin only, each year from 1879 to 1885, and in the first six months of the year 1886 :—

| Period. | Emigration to United States from United Kingdom. | Immigration from United States to United Kingdom. |
|--|--|---|
| Year 1879 | 91,806 | 20,048 |
| „ 1880 | 166,570 | 26,518 |
| „ 1881 | 176,104 | 29,781 |
| „ 1882 | 181,903 | 28,468 |
| „ 1883 | 191,573 | 46,703 |
| „ 1884 | 155,280 | 61,466 |
| „ 1885 | 137,687 | 57,604 |
| Six months ended } 30th June, 1886. } | 75,224 | 35,503 |

Employment of labour in United States.

Bradstreet's inquiry and report.

General reduction in wages.

Employment of Labour in the United States.

Take, again, the most important feature of all—the employment of labour. Our own newspapers have been full of reports of the depressed state of labour in the United States.* But the most important evidence is to be found in *Bradstreet's Journal*. This newspaper, at the end of 1884, instituted a careful inquiry into the state of the leading manufacturing industries in the twenty-two Northern States of the Union. The results are stated as follows:—"There has been a general reduction in wages varying from 20 to 25 and, in some cases, to 30 per cent., taking the year through. The reduced forces (*i.e.* number of men) at work range from 33 per cent. to 12 per cent., not including reductions in clerical staff. . . . The total number reported out of work, due to shutting down of establishments, to enforced reduction of forces, or to strikes, is 316,000, or 13 per cent. of the whole number busy in 1880. Of these, the number out of work by strikes is not more than 5·3 per cent. 'There are no less than 55,000 industrial workers idle in New York, exclusive of clerks and salesmen.' 'In Philadelphia not less than 33,000.' 'At Pittsburgh, nearly 11,000,' and so on.† The aggregate number of manufacturing operatives thrown out of work is estimated at not less than 350,000. How many of these men have found other employment, or where, is not known, but 350,000 fewer are reported to be employed on these industries than were so employed two years ago, and there is very great distress and want of employment. Further inquiries into the rates of wages have furnished the following results,‡ which are sufficiently important to be quoted *in extenso*.

RATES OF REDUCTION SINCE JULY, 1882.

"Lines in which Lower Wages and Fewer Employés are Conspicuous."

"In December, 1884, *Bradstreet's* undertook to report the extent to which industrial workers had been thrown

* See, for instance, *Times*, Feb. 4th, 1885; *Economist*, Jan. 3rd, 1885, &c., &c.

† *Bradstreet's*, 20th Dec., 1885.

‡ *Ibid.*, 14th March, 1885.

out of employment in the United States during two and one half years last past. The investigation was one unique in journalism, and was met by fairly satisfactory results, the showing being that about 350,000 fewer operatives were then employed than in 1882, or about 14 per cent. In the present instance it has undertaken to get the necessary data to determine the extent to which industrial workers' wages have been reduced during the same period.

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in the
United
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in wages.

"The inquiry embraces the leading manufacturing industries in the United States—those in which the value of the goods annually produced is equal to or in excess of 30,000,000 dols. It was manifestly impracticable to extend the investigation at this time to every city and town at which these industries are prominent.

"In order to furnish a fair and sufficiently comprehensive exhibit of the rates of wages paid and received weekly, inquiries were extended, in each case, to the leading establishments in each industry at seven cities or towns. The cities were selected on the basis of the amount of capital invested and value of products in each line, and are given in order under appropriate classifications by industries.

"In the lines of industry covered there were, in 1880, 194,500 establishments in the United States out of a total of all manufacturing concerns amounting to 253,800, nearly 77 per cent. of the whole. The number of hands employed was 2,005,000 out of 2,732,595, or 73 per cent. The total wages paid by them annually amounted to 688,361,961 dols., out of a grand total of 947,953,795 dols., or 72 per cent. The annual value of materials used was 2,654,702,809 dols., out of an aggregate of 3,396,823,549 dols., or 77 per cent., and the annual total value of products was 4,101,889,676 dols., out of a grand aggregate in all industrial lines amounting to 5,369,579,191 dols., or 76 per cent. The industrial wages investigated represent, therefore, those at seven cities in order of prominence, and may be regarded as fairly typical of the rates paid to three-quarters of the industrial workers of the country. The investigation has been conducted at sixty cities, from which over 250 separate reports have been received,

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of the
United
States.
Employ-
ment of
labour.

involving at least 1,500 special inquiries by correspondents of *Bradstreet's*. This does not include instances where information was refused, or where it was furnished, but appeared to be faulty or likely to mislead.

"There are three primary facts to be taken into account in studying the classified tables of wages presented below:—

"1. With the restricted call for products, and in the effort to maintain wages—under pressure from workers to have them maintained—marked reductions in the number of employes have been made since 1882, as pointed out in *Bradstreet's*, December 20, 1884. As will be recalled, it was then shown—that the enforced reductions in the number of employes, those thrown out by shutting down of factories and mills, and by strikes and lock-outs (since 1882), amounted (as reported) to 316,000 in 21 States, where 90 per cent. of the total of industrial workers were employed; that the grand total was probably nearer 350,000 than 316,000, or say 14 per cent. of the total engaged in 1882; that at least 80,000 fewer iron and steel, machinery and foundry, workers were employed—or 23 per cent. of the total dispensed with; that 35,000 fewer clothing operatives (east of Ohio), or 10 per cent.; 20,000 fewer cotton goods operatives, about 6 per cent.; 24,000 fewer woollen fabric operatives, or 7 per cent.; about 13,000 fewer tobacco operatives, or less than 4 per cent.; and about 4,700 glass workers, or say 1.3 per cent. of the 350,000 displaced—had been thrown out. This has been one element in helping to maintain the rate of wages of those remaining at work. The total displaced, as enumerated, number nearly 177,000, or about 51 per cent. of those whose services had been done away with.

"2. Work has been restricted at various establishments, hours having been shortened, or work furnished fewer days in the week.

"3. Employes have been given piece work in place of a stated sum per day, week, or month, the quantities furnished being limited in many cases.

"In addition to these, strong trades unions among iron and steel, glass workers, building trades, boots and shoes, tobacco and textile operatives, and in other lines, have

brought a pressure to bear to prevent reductions of wages, frequently to gain an advance.

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in the
United
States.

"The reductions in *rates* of wages in most all instances are less than the gross reductions in *amounts received* within two and one-half years. The percentages of rate reductions calculated indicated, therefore, the apparent cut; in some cases (generally specified) it is actual, but the losses due to restricted time, or to a limited quantity of piece-work, are not always a determinate factor.

Employ-
ment of
labour.

"Several features of the exhibit are nevertheless more striking than any late developments regarding our manufacturing industries.

"*Six highly protected industries, iron and steel (also foundries and machine shops, etc.), clothing, cotton, woollen, tobacco, and glass manufactures, which employed 34 per cent. of all industrial workers (as reported in 1880), have thrown out one-half of the total number of workers since 1882, 177,700 in number, as reported by 'Bradstreet's' in December, 1884.*

Protected
industries
have
suffered
most.

"*All of these lines have run nearly, if not quite, as much on short time as any others named.*

"*They, with other textile establishments, have practically had a monopoly of the larger strikes of the past year or two, with the exceptions of those in the coal regions.*

"*And, as exhibited with sufficient detail for generalisation in the wages report given below, they have suffered, on the average, a GREATER reduction in rates of wages paid.*

"Iron and steel workers and coal miners have suffered by far the greatest reduction in wages from all causes, and are followed by operatives in textiles. Glass-makers, thus far, have suffered less, proportionately, than the above, and then only in certain departments of labour. Excepting tobacco and cigars from food products, and the latter have suffered least of all. Wages rates in the building trades and wood-working industries have been only moderately depressed. Workers in leather have not found their wages cut severely, and paper mill employes and printers have escaped with but a moderate reduction. The average reduction in rates of wages paid and received in the various lines covered have been classified as follows :—

Steel and
iron have
suffered
most of all.

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in the
United
States.
Employ-
ment of
labour.

"FOOD PRODUCTS.

Av. per ct. reduc-
tion wages.

| | | | | | | |
|--------------------------------|-----|-----|-----|-----|-----|----------|
| Flour mill | ... | ... | ... | ... | ... | None |
| Bakery | ... | ... | ... | ... | ... | None |
| Slaughterhouse | ... | ... | ... | ... | ... | — |
| Sugar refining (in rates paid) | ... | ... | ... | ... | ... | None |
| Liquors, malt | ... | ... | ... | ... | ... | None |
| Liquors, distilled | ... | ... | ... | ... | ... | 10 to 12 |
| Tobacco, cigars | ... | ... | ... | ... | ... | 10 to 15 |
| Tobacco, chewing and smoking | ... | ... | ... | ... | ... | 10 to 20 |

TEXTILE PRODUCTS.

| | | | | | | |
|---|-----|-----|-----|-----|-----|----------|
| Woollen goods, cloths (based on short time) | ... | ... | ... | ... | ... | 25 to 30 |
| Woollen goods, clothing (men's) | ... | ... | ... | ... | ... | 10 to 15 |
| Woollen goods, clothing (women's) | ... | ... | ... | ... | ... | 10 to 15 |
| Cotton goods (cuts and short time) | ... | ... | ... | ... | ... | 25 to 30 |
| Silk goods (Paterson) | ... | ... | ... | ... | ... | 15 to 25 |

METAL PRODUCTS.

| | | | | | | |
|-------------------------------------|-----|-----|-----|-----|-----|----------|
| Blast furnaces (eastern) | ... | ... | ... | ... | ... | 11 |
| Blast furnaces (southern) | ... | ... | ... | ... | ... | 20 |
| Blast furnaces (western) | ... | ... | ... | ... | ... | 12 |
| Iron mills (eastern) | ... | ... | ... | ... | ... | 15 to 22 |
| Iron mills (western) | ... | ... | ... | ... | ... | 15 to 22 |
| Steel rail (western) | ... | ... | ... | ... | ... | 30 |
| Steel rail (eastern) | ... | ... | ... | ... | ... | 20 |
| Nail mill (western) (in rates paid) | ... | ... | ... | ... | ... | None |
| Tinware | ... | ... | ... | ... | ... | 10 |
| Agricultural implements | ... | ... | ... | ... | ... | Little |
| Foundry and machinery | ... | ... | ... | ... | ... | 10 to 15 |

LUMBER AND MANUFACTURES.

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|----------|
| Lumber, sawed and planed | ... | ... | ... | ... | ... | Little |
| Sash, doors and blinds | ... | ... | ... | ... | ... | 8 to 10 |
| Coopers | ... | ... | ... | ... | ... | 10 to 15 |
| Furniture makers | ... | ... | ... | ... | ... | 10 to 15 |

BUILDING TRADES.

| | | | | | | |
|--------------------------|-----|-----|-----|-----|-----|--------|
| Carpenters | ... | ... | ... | ... | ... | Little |
| Stone and marble cutters | ... | ... | ... | ... | ... | Little |
| Brick-makers | ... | ... | ... | ... | ... | Little |

LEATHER AND MANUFACTURES.

| | | | | | | |
|------------------------------|-----|-----|-----|-----|-----|-----------|
| Tanned and curried workers | ... | ... | ... | ... | ... | Little |
| Harness and saddlery workers | ... | ... | ... | ... | ... | 10 |
| Boot and shoe workers | ... | ... | ... | ... | ... | 10 |
| Paper-makers | ... | ... | ... | ... | ... | Little |
| Compositors | ... | ... | ... | ... | ... | Little |
| Glass-makers— | | | | | | |
| One class | ... | ... | ... | ... | ... | Inc. 10 |
| Another class | ... | ... | ... | ... | ... | Dec. 18 |
| Others | ... | ... | ... | ... | ... | Same |
| Shipbuilding | ... | ... | ... | ... | ... | — |
| Coal miners | ... | ... | ... | ... | ... | 20 to 40" |

These figures from *Bradstreet's* report seem to deserve special attention ; and they are confirmed by the reports made to the Commission on the Depression of Trade. Sir L. West tells us* that 430,000 men employed on the construction of railways and 250,000 employed in factories were thrown out of work ; that cotton manufacture in Philadelphia was suspended ; that the india-rubber manufacture was discontinued ; that the sugar refining industry was reduced to 60 per cent. of its previous value ; and that some of the most important iron furnaces and rolling mills were closed. Further, that the industries which chiefly suffered were the iron, steel, and textile trades, all of them highly protected ; that the demand for iron and steel fell off by 700,000 tons, causing in its turn on the part of the men employed in them a failure of demand for textiles and other things.

Depression
in the
United
States.
Employ-
ment of
labour.
Report
by Sir L.
West.

It must not be supposed that the 680,000 men thrown out of work failed to get employment. Such are the natural resources of the United States that men thrown out of work in factories find employment on land more readily than in crowded Europe. But the lesson is the same. The protected industry fails, and the unprotected industry, the industry which Nature provides, comes to its help.

I have elsewhere given details concerning certain special manufactures in the United States—viz. of clocks, woollens, copper, and steel rails—all pointing to the same conclusions, viz. that the manufacturing industries of the United States have been much more depressed, and are in a less healthy condition than our own ; and, further, that the industries which have been the least healthy and most suffering are those which have been most protected—viz. shipping, iron and steel, and textiles.

* Second Report, App., Part II., p. 372.

CHAPTER XLIII.

PRESENT COMMERCIAL DEPRESSION IN RUSSIA.

All
branches of
Trade and
Agriculture much
depressed.

RUSSIA and the United States are two of the most Protectionist countries in the world, and the recent condition of their respective industries affords some materials for instructive comparisons. In Russia, as in the United States, trade has been and still is in a state of extreme depression. Mr. Mitchell, H.M. Consul at St. Petersburg, says : * " The economic condition of the whole empire is admitted to be in a depressed state, and this depression applies both to all branches of industry and to the foreign and home trade of the country." " Agriculture, which serves as the chief foundation for the prosperity of the country, is in a state of prostration." In 1884 the value of the exports, consisting chiefly of agricultural produce, was diminished by £4,200,000, and during ten months of 1885 by £6,165,000. Between 1880 and 1885 the imports decreased by more than one-sixth (£10,000,000); and during the first nine months of 1885 by a further amount of £9,000,000. The Customs revenue has fallen off by about two millions and a half sterling, and the revenue from internal taxation has also fallen off. Credit is at a low ebb, and capital ceases to flow into the country. A few manufacturers may make fortunes, but the country suffers. Sir R. Morier entirely confirms these statements, and calls special attention to the distress in the cotton and sugar trades. Nor does there seem to be, as there is in the United States, any immediate prospect of recovery.

Russia's
natural
wealth is
agriculture.
She has
starved
this; and
has
fostered
sickly
manufac-
tures.

Russia is essentially an agricultural country, and possesses besides natural resources in coal, iron, and petroleum. One would have thought that the policy of the Russian Government would have been to encourage as much as possible the cultivation of the land—depressed as that industry has been by the changes consequent on the abolition of serfdom, and by the competition of corn from America, India, and Australia in the markets of Europe.

* Second Report of Commission on Depression of Trade, App., Part II., pp. 291, 292.

To improve the imperfect means of communication in her vast territory ; to make all implements and articles of clothing or comfort used by the rural population as cheap and as good as possible ; to attract labour to the land ; and to encourage exportation of the produce of the land, would have seemed the natural objects of a Russian statesman.

But Russia's policy has been of an opposite kind. She has since 1877 done all she can to discourage the import of all manufactured goods by an almost prohibitive tariff, and by Customs regulations which are as bad as the tariff. She seems now to be contemplating further measures which will be absolutely prohibitive. This is done for the sake of encouraging sickly manufactures which provide her people with dear and bad goods. The effect upon her agriculture is to make all necessities of life, except those which they produce themselves, scarce and dear ; secondly, to make agricultural labour scarce and dear by attracting workmen from the land to the factories ; and, lastly, to cripple the foreign market for Russian agricultural produce by refusing to take anything from foreign countries in exchange.

Of her special follies in the matter of sugar I shall speak more fully below, in Chapter XLVIII.

Under any circumstances Russia would probably have had great difficulties with her land and its cultivation ; but the result of her deliberate policy has been greatly to aggravate these difficulties ; to make her rural population poorer ; and at the same time to produce glut and distress in the sickly manufacturing industries which she has been fostering by unnatural means. The United States have escaped the worst consequences of their bad tariff by means of their immense natural resources, their excellent land system, and the energy and versatility of their people. Russia is far less fortunate in these respects, and suffers proportionately more from her bad fiscal policy.

CHAPTER XLIV.

PRESENT COMMERCIAL DEPRESSION IN BELGIUM.

Report of
Mr. Fane
on depres-
sion in Bel-
gium.

ON the depression of Belgian Trade there is an excellent report by Mr. Fane, H.M. Secretary of Legation at Brussels.* It is a very interesting case for several reasons, and amongst others because the present state of things in Belgium has been carefully examined by several competent inquirers. The commercial condition of Belgium resembles that of Great Britain in many respects. Belgium has a crowded population; a highly developed system of agriculture, though different from our own; productive coal-fields; great manufacturing industries; and a very complete system of railways. It has a large foreign trade, and its imports exceed its exports. Its institutions are like our own—popular and democratic; it has a moderate tariff; and it has remained true to the principles of Free Trade.

Under these circumstances it is interesting to find that the symptoms of depression are much the same as with us. Mr. Fane sums them up as follows:—

1. "The duration of the depression is persistent, and there is no sign that under the present order of things it will come to an end."

2. "While the prices of all commodities continue to fall, the volume of business tends to increase. Values never were so low, production was never so great—though at the present moment it is beginning to fall off."

3. "The distress has, till quite recently, fallen almost exclusively on capital—*i.e.* on profits—and hardly at all on labour—*i.e.* on wages. But capital is now beginning to call on labour to content itself with a lower rate of wages, in order to contribute thereby towards lessening the cost of production."

Recent
course of
trade.

The course of trade in Belgium for the last twenty years has been much the same as with ourselves. There was great inflation of prices and profits in the period succeeding the Franco-German war, and subsequent collapse, accompanied throughout by a large and general steady increase

* Third Report of Commission on Depression of Trade, App., p. 444.

of production and a rise of nominal wages, which, however, are now beginning to fall.

Taking coal as a leading industry, and omitting the period of the coal famine, during which prices were exceptional, it appears that the comparison between 1864 and 1884 is as follows :—

| | | Production in tons. | | Profits in francs. | | Wages per man. |
|------|-----|------------------------|-----|-----------------------|-----|-------------------|
| 1864 | ... | 11,158,336 | ... | 10,690,000 | ... | 715 |
| 1884 | ... | 18,051,126 | ... | 6,259,000 | ... | 914 |

Of the total amount of the proceeds of the mines for the six years ending with 1884 it is calculated that 98 per cent. went to the workmen, and 2 per cent. only to the mine-owners. Other industries appear to show similar results. The absolute value as well as bulk of the whole productions of the country, the raw materials imported, the railways open for traffic, the steam-engines employed, the aggregate imports and exports, the number of inhabited houses, have all increased enormously; whilst the bulk of agricultural produce seems not to have decreased. The material wealth of the country is much greater than it was. But it is differently distributed. Capital is suffering; prices are low; interest has fallen; profits are very low in all trades, and in some reduced to zero. On the other hand, the bulk of the population is better housed, better clothed, and better fed, in every way better off than it has ever been. A calculation by an eminent statistical authority is quoted to the effect that in 1840 the wages throughout Belgium amounted to 500 millions of francs, when the population was 70 per cent. of what it is now, and that if wages had remained at the same level they would have amounted now to 700 millions; whereas, as the same authority calculates, the actual amount of wages at the present time is 1,625 millions of francs.

Production, profits, and wages in coal mining.

So far there does not seem to be much dispute about the facts. But upon the causes and probable consequences of the present state of things there is considerable difference of opinion. The unsettled state of the currency question, and the relative fall in silver; the Protectionist policy of neighbouring Continental States; the com-

Causes of depression

petition of agricultural produce from Asia and America ; the competition of foreign, and especially of German, manufactures ; the factitious production of sugar—are all referred to as partial causes of the present depression. One eminent authority appears to think that the power of consumption of the world, in respect of some products, such as iron, is reduced, because the renewal of the industrial plant of the world, necessitated by the introduction of steam, has now been completed. As a partial explanation of the cessation of demand for permanent plant such as steel rails, some weight may be due to this consideration. But to say that the general and permanent powers of consumption of the world are diminished because it has perfected and improved the machines, the steamships, and the railways by which it creates and distributes its produce, seems to be like saying that a man is less comfortably housed because the building of his house is at an end.

Prices,
profits, and
wages.

The great question, however, which is being discussed in Belgium relates to the change which has taken place in the distribution of the produce of industry between employer and workman, between capital and labour. This has, as above noticed, been very remarkable. Wages have risen, whilst prices and profits have fallen. Similar changes have taken place in Great Britain, in France, and in the United States, as is shown by the researches of Mr. Giffen, Mr. Leroy Beaulieu, Mr. Atkinson, and other competent observers. The effect of this change has therefore a world-wide importance, and the discussion concerning its meaning and effect which has taken place in Belgium has a deep interest for other countries.

Mr. Pirmez, one of the foremost statesmen and economists of the country, regards this change as a natural "economic evolution" ; an alteration in the distribution of wealth by which, if the richer become poorer, the millions who toil become richer ; a change, in short, which economic laws would lead us to expect, and which, so far from being lamentable, is one in which every philanthropist, every economist, every statesman must rejoice. Others, again, differ from Mr. Pirmez, and think that labour has received more than its due share of the proceeds of industry ; that this is the principal cause of what is called

commercial depression; that the profits on capital are ceasing to be sufficient to operate as an inducement to save and to invest in production; that, in consequence, production itself is falling off, or likely to fall off; and that if production is to be maintained, labour will have to surrender some part of its share of the proceeds by the reduction of nominal if not of real wages.

It is impossible here to follow up this great controversy; but I wish to call attention to what Belgian economists are saying about it, since in the discussions on the causes of depression which have taken place in this country it has scarcely received the attention it deserves. I will only observe that the latest statistics in Belgium appear to give weight to the arguments of those who think that wages will have to be reduced; whilst the recent disturbances and the present attitude of the workmen look as if this would not be effected without suffering or without struggle.

As regards the more immediate subject of this book, it is pleasant to find that in one country, at any rate—and that one a country which resembles our own—there is no suggestion that the present depression is due to Free Trade, and no attempt to meet it by a resuscitation of Protection. The advocates of Free Trade are still in the ascendant, and are listened to as they deserve to be. The reasons why people of sound sense on other matters are found who gravely maintain the principles of Protection, and the exposure of the fallacy of those reasons, can hardly be better put than they are put by Mr. Pirmez in the following extract from Mr. Fane's report:—"His Excellency says that there are two causes for 'this strange aberration.' The first of these is that Protective measures are often able to remove promptly an evil which is felt by individuals or by an individual class. Agricultural rents sink or the profits of the sugar business fall, owing to the importation of grain or of sugar. What more simple than to improve rents or to insure good profits on sugar? Impose an import duty on grain or on sugar, and the desired result is at once effected. This result we easily 'see,' but behind this result which we see there are results which we do not as easily see. First of all, there is a tax placed on all who eat bread or consume sugar, and then there is a positive

No resuscitation of Protection.

Mr. Pirmez on Protectionists.

interdiction to do so laid on those who wish to manufacture goods to be exported in exchange for imported grain or sugar. The operation has been like that of a quack remedy which removes an eruption on the skin, but in doing so produces a serious internal disorder. But the patient *sees* the direct and immediate good which has been effected; the indirect evil which will follow he does not see. The second cause for the success of the delusion is that 'the direct effect of Protection benefits a small body of people, whilst the indirect ill-effect is distributed (diluted as it were) over the mass of the nation. Now, an interest is infinitely more powerful when it is concentrated on a few heads than when it is broken up and divided fractionally among a number of people. Its force is very great in the first case; in the second it becomes a nullity, with no more power of resistance than particles of dust.' "

CHAPTER XLV.

GENERAL REMARKS ON THE PRESENT COMMERCIAL DEPRESSION.

One general feature of the present depression is over-production or glut.

It is quite clear that the present depression is universal, and that in Protectionist countries it is as intense, probably much more intense, than it is in our own. Nor, except perhaps in the United States, are there any signs of future recovery which do not exist in this country. It would, as I have said, be impossible and out of place here adequately to consider the various symptoms of the disease as it exists in different countries; still more to discuss the numerous remedies which have been suggested. But there are one or two observations, bearing on the subject of this book, which may be made with advantage.

There is one feature common to the disease in all places and in all countries—viz. a glut of manufactured goods; more iron, more steel, more ships, more sugar, more cotton, woollen, linen, jute, and silk fabrics than can be used or

disposed of at a profit. The volume of trade has not decreased, or has decreased by very little; but prices are unremunerative and profits very low. Supply has overtaken and more than overtaken demand. From all nations comes the same story: from Free Trade nations such as England, Belgium, and Switzerland; from semi-Protectionist nations such as France and Germany; from Protectionist nations such as Russia and the United States. In the case of corn there can scarcely be said to be a general glut, though certain markets may be overstocked for a time; and even non-European countries which formerly supplied it suffer by the development of new sources of supply. Now, there are many causes of glut and over-production over which Governments and laws have little or no control, and in which demand and supply reign supreme. There are also causes of glut which are due to human action, and these have been largely at work in the present commercial crisis. It is precisely those things which Governments are trying to foster by Protective duties and prohibitions in which the glut is most conspicuous. Metals and metal wares, textiles, sugars, these are the things which are produced in such abundance that they find no sale, or find no profitable sale; and these are the things which, if made abroad, the United States and Russia, France and Germany, Canada and the Australian Colonies (always excepting New South Wales) are excluding from their markets. At first sight this appears a paradox. Can exclusion and restriction promote extravagant production? That it causes dearness and scarcity is obvious to everyone except a thorough-going Protectionist, but that it should also cause over-production and unremunerative prices is what might not at first sight seem probable. And yet this is what economists have taught, and, as the event proves, have taught truly.

The first and immediate effect of Protection in a country is to raise prices to the consumer. Whilst this lasts importation goes on; the duty actually received on imported articles goes into the public exchequer; whilst the increase of price of home-made articles goes into the pocket of the native producers. The profit thus made gives an unnatural stimulus to production. Capital is

Effect of
Protection
in increas-
ing glut.

improperly and unhealthily attracted to the protected trade; and the home competition becomes at last so severe as to reduce the price of the home-trade article almost to the level of the foreign article. Protection ceases to raise the price, though it keeps out the foreign article. Then comes a plethora of home-trade goods; the trade ceases to be profitable; manufactories are shut up, and workmen are turned off, or have to take very low wages. Exportation may take place for the moment, but it cannot last or be profitable, because Protection has so raised the cost of manufactures as to make it impossible to compete with foreign manufacturers in neutral markets.

This is exactly what we are told has happened in the United States, in Russia, in France, in Germany, in Canada, and in other Protectionist nations. Protection has caused a glut; glut has caused reduction of profits; and loss of profits has caused reduction of work and employment. Germany and Russia, and possibly other nations, have managed to meet this glut by the original experiment of selling dear at home and cheap abroad—of giving directly or indirectly a bounty on exportation. Such a practice is suicidal; it gives unnaturally cheap goods to other nations at their expense; it must consequently injure them, and it cannot last. But whilst it continues it disturbs legitimate business, and in so doing injuriously affects the trade of the world.

This causes
general loss
and suffer-
ing.

This one
cause of
depression
is human
and pre-
ventable.

So long as seasons and climates vary, so long as men are subject to hopes and fears, commerce and industry will be subject to some of those ebbs and flows which cause so much uncertainty and so much human suffering. To what is inevitable we must submit. But it is sad to think that these ebbs and flows are aggravated by the folly of Governments which, by intercepting the gifts of Providence in one direction, and by applying an unnatural stimulus in another, check natural production, and stimulate unhealthy industries into unnatural activity, to be followed by equally unnatural and unnecessary prostration.

So great is this mischief that if it were possible by a league amongst all nations to prevent any one of them from interfering with supply and demand, such an object might almost justify temporary Retaliation. But any

such scheme is Utopian, and to attempt it by means of Retaliation would be like seeking for universal peace by general war. There is nothing for us in the meantime but to accept the cheap goods other nations insist on sending to us, and to wait till they learn that they are injuring themselves.

It seems probable that it is the great prosperity of England in the earlier part of this century which has misled the world. England led the way in manufactures, and especially in iron and in textiles. Other nations said to themselves: "England's prosperity is due to manufactures, and to manufactures of a particular kind. If we can but make the same things as she does we shall be as prosperous as she is. We will compel our people to do this, at whatever hazard to things which we can make better than England. England shall not have manufacture all to herself." And thus because England happened to have peculiar facilities for doing particular things to the great advantage of herself and of the world, other nations which have not the same facilities for doing those particular things, but greater facilities for doing other things, have set themselves to do what they ought not to do, and have not done what they ought to do. And in this they think that they are imitating England's example!

Attempt to imitate England by non-natural means.

It must not be supposed that because I have thus emphasised that one cause of depression with which this book is specially concerned, I attribute the depression solely to this cause, or overlook its general character, and the numerous causes which have contributed to it.

The depression is general throughout the trading world; it is a depression of values rather than of volumes; of prices and of profits rather than of wages. Production and consumption are on the whole as large or nearly as large as they have ever been, and a much larger number of persons subsist in greater comfort than has ever been the case before. At the same time the reduction in prices and profits has at last reached wages and employment; speculation and enterprise are deadened; and it is as yet uncertain whether and how far production may be affected. To dogmatise on such points would be absurd. Nor does it seem to me possible to state positively and definitely

General character and numerous causes of depression.

Some
causes tem-
porary,
some more
permanent.

what are the causes of the depression, and what importance is to be attached to each of them. It is obvious that they are not simple, but many, and of different kinds, and that whilst some are temporary, others are of a more permanent character. Bearing this in mind, we may, perhaps, summarise the different causes which have been suggested as follows :—

Temporary
causes.

Among the more temporary causes may be mentioned—

1. A reaction from the inflation of 1871 and the following years.

2. The comparative cessation of work in constructing the American and other railway systems, and the reaction from the abnormal demand for labour and materials which was created by that construction.

3. The reaction from the abnormal demand for shipping which prevailed down to 1884.

4. The collapse in the prices of coal and iron, caused by these reactions.

5. A succession of bad harvests in England and in Continental Europe.

6. Changes in rapidity of communication and in the mode of doing business ; by which stocks are economised, and the merchant and middleman dispensed with.

Permanent
causes.

Among the more permanent causes, which seem to have made the present depression chronic, may be mentioned—

1. The natural fall in the rate of interest and profits, caused, as economists tell us, by saving and investment progressing faster than population and demand.

2. The appropriation to labour of so large a share of the proceeds of industry that the margin left for profit on capital, and for reward of skill and energy, is insufficient to encourage saving, investment, and enterprise. This must be regarded at present merely as a speculative suggestion.

3. The appreciation of gold, and the consequent fall in prices, which operates on the mind and imagination, if not on the pocket, and thus chills enterprise and speculation.

4. The competition of the agriculture of other quarters of the globe with that of Europe,

5. The natural competition of all civilised and progressive countries in manufacture.

6. The unnatural stimulus given to this competition by Protective systems and by Bounties, causing in the first instance a withdrawal of capital and labour from those objects to which they might be most profitably applied; and causing in the second instance glut, over-production, and suffering to the protected interests themselves.

Of these causes most cannot be prevented or interfered with by human agency; some of them are distinctly beneficial to mankind; and some bring with them their own cure.

None of them point in the slightest degree to the principle of freedom of exchange as a cause of depression or distress; whilst the last which I have mentioned—viz., the system of Protection and Bounties—is a violation of that principle. I have placed it among the chronic causes of depression, but trust that I may be wrong in so doing, and that Protectionist nations may recover their senses and, by recurring to a more natural system, show that this particular form of commercial disease is temporary, as well as unnecessary and self-created.

CHAPTER XLVI.

SHIPPING.

Shipping of
the United
Kingdom.

So much has been said about shipping that I am almost afraid of referring to it, but it is so striking an instance of the advantages of Freedom and the impotency and mischief of Protection, that I must state the figures again.

Statement of the Percentage of the Foreign Trade of the United Kingdom carried on in British ships compared (in thousands of tons).

| Average of Five Years. | Total Foreign Trade. (Millions of Tons.) | Total Carried in British Ships. (Millions of Tons.) | Proportion of Total Trade Carried on in British Ships, (Per Cent.) |
|------------------------|---|--|---|
| 1855-9 | 8 | 13 | 61.9 |
| 1860-4 | 10 | 16 | 61.5 |
| 1865-9 | 10 | 22 | 68.7 |
| 1870-4 | 14 | 28 | 65.7 |
| 1875-9 | 16 | 35 | 68.6 |
| 1880-4 | 18 | 43 | 70.6 |
| 1885-9 | 18 | 49 | 73.1 |
| 1890-4 | 20 | 55 | 73.3 |
| 1895-9 | 26 | 63 | 70.8 |
| 1900 | 36 | 62 | 63.3 |
| 1901 | 34 | 64 | 65.3 |
| 1902 | 36 | 64 | 64.0 |

Statement showing the Proportion of the Tonnage of the United Kingdom to the Tonnage of certain Foreign Countries at different Dates, multiplying steam tonnage by FOUR to reduce it to a common denominator with sailing tonnage (in thousands of tons)

| Year. | United Kingdom. | | Foreign Countries. | | Total (Thousands of Tons). |
|-------|--------------------|---------------------|--------------------|---------------------|-------------------------------|
| | Thousands of Tons. | Per cent. of Total. | Thousands of Tons. | Per cent. of Total. | |
| 1860 | 5,942 | 42 | 8,143 | 58 | 14,085 |
| 1870 | 8,950 | 49 | 9,231 | 51 | 18,181 |
| 1880 | 14,679 | 57 | 11,182 | 43 | 25,861 |
| 1883 | 18,371 | 59 | 12,873 | 41 | 31,244 |
| 1884 | 19,187 | 59 | 13,438 | 41 | 32,625 |

The foreign countries included in the foregoing figures are :—France, Germany, Holland, Belgium, Austria, Hungary, Italy, Sweden and Norway, Denmark, Greece, and the United States (over-sea tonnage). British Shipping.

In 1902 countries in the above table had 13,699,000 tons of steamers and sailing vessels of over 100 tons register, while the United Kingdom had 14,431,000 tons, or 51·3 per cent. of the total. The shipping of the United Kingdom and Colonies for the same year amounted to 15,547,000 tons, nearly 50 per cent. of the world's total shipping—32,437,000 tons. The figures relate to the mercantile marine only, exclusive of warships, and state the gross tonnage for steamers, the net tonnage for sailing vessels.

TONNAGE BELONGING TO THE UNITED KINGDOM.

(In Thousands of Tons.)

| 1850 (The Date of the Repeal of the Navigation Laws) | | | | <div> <div>3,397 Sailing. 168 Steam.</div> <hr/> <div>3,565 Total.</div> </div> | | | |
|--|----------|--------|--------|---|----------|--------|--------|
| Years. | Sailing. | Steam. | Total. | Years. | Sailing. | Steam. | Total. |
| 1869 | 4,765 | 948 | 5,713 | 1880 | 3,851 | 2,723 | 6,574 |
| 1870 | 4,578 | 1,113 | 5,691 | 1881 | 3,688 | 3,004 | 6,692 |
| 1871 | 4,374 | 1,320 | 5,694 | 1882 | 3,622 | 3,335 | 6,957 |
| 1872 | 4,213 | 1,538 | 5,751 | 1883 | 3,514 | 3,728 | 7,242 |
| 1873 | 4,091 | 1,714 | 5,805 | 1884 | 3,465 | 3,944 | 7,409 |
| 1874 | 4,108 | 1,871 | 5,979 | 1885 | 3,457 | 3,973 | 7,430 |
| 1875 | 4,207 | 1,945 | 6,152 | 1890 | 2,936 | 5,043 | 7,979 |
| 1876 | 4,258 | 2,005 | 6,263 | 1895 | 2,866 | 6,121 | 8,987 |
| 1877 | 4,261 | 2,139 | 6,400 | 1900 | 2,096 | 7,207 | 9,303 |
| 1878 | 4,239 | 2,316 | 6,555 | 1902 | 1,951 | 8,104 | 10,055 |
| 1879 | 4,069 | 2,511 | 6,580 | | | | |

NOTE.—It seems important to notice that while the aggregate of sailing and steam tonnage has increased, the increase is exclusively in steam tonnage, which is more effective than sailing tonnage as three or four to one.

TONNAGE BELONGING TO FRANCE.

(In Thousands of Tons.)

| French Shipping. | Years. | Sailing. | Steam. | Ships of 2 Tons and Upwards. Total. |
|------------------|--------|----------|--------|-------------------------------------|
| | 1840 | 653 | 9 | 662 |
| | 1850 | 674 | 14 | 688 |
| | 1860 | 928 | 68 | 996 |
| | 1870 | 918 | 154 | 1,072 |
| | 1879 | 676 | 256 | 932 |
| | 1880 | 641 | 278 | 919 |
| | 1881 | 602 | 312 | 914 |
| | 1882 | 567 | 416 | 983 |
| | 1883 | 537 | 467 | 1,004 |
| | 1884 | 523 | 511 | 1,034 |
| | 1885 | 508 | 492 | 1,000 |
| | 1890 | 444 | 500 | 944 |
| | 1895 | 386 | 501 | 887 |
| | 1900 | 510 | 528 | 1,038 |

OVER-SEA TONNAGE BELONGING TO THE UNITED STATES.

(In Thousands of Tons.)

| United States Shipping. | Years. | Sailing. | Steam. | Total. |
|-------------------------|--------|----------|--------|--------|
| | 1840 | 896 | 4 | 900 |
| | 1850 | 1,541 | 45 | 1,586 |
| | 1860 | 2,449 | 97 | 2,546 |
| | 1870 | 1,324 | 193 | 1,517 |
| | 1880 | 1,206 | 147 | 1,353 |
| | 1881 | 1,182 | 153 | 1,335 |
| | 1882 | 1,137 | 155 | 1,292 |
| | 1883 | 1,130 | 172 | 1,302 |
| | 1884 | 1,120 | 184 | 1,304 |
| | 1885 | 1,102 | 186 | 1,288 |
| | 1890 | 749 | 198 | 947 |
| | 1895 | 586 | 252 | 838 |
| | 1900 | 485 | 341 | 826 |

*Total Trade of the United States carried in United States and Foreign Vessels respectively, with the Percentage carried by each (in thousands of dollars).**

United
States
Shipping.

| Years. | In American Vessels. | In Foreign Vessels. | Percentage in American Vessels. |
|--------|----------------------|---------------------|---------------------------------|
| 1840 | 198,424 | 40,802 | 82·9 |
| 1850 | 239,272 | 90,764 | 72·5 |
| 1860 | 507,247 | 255,040 | 66·5 |
| 1870 | 352,969 | 638,927 | 35·6 |
| 1881 | 268,080 | 1,378,556 | 16·3 |
| 1882 | 242,850 | 1,284,488 | 15·9 |
| 1883 | 261,718 | 1,290,030 | 16·6 |
| 1884 | 264,722 | 1,194,118 | 18·1 |
| 1885 | 223,119 | 1,108,202 | 16·8 |

* From the United States statistics. The returns are inclusive of the Lake Trade between the United States and Canada.

Total Tonnage entered and Cleared in the United States, in each of the years 1850, 1860, 1870, 1880, 1881, 1882, 1883, 1884, 1885, 1890, 1900, and 1902 (years ended 30th June), distinguishing American, British, and other Foreign vessels (in thousands of tons).*

| Years ended 30th June. | TONNAGE. | | | | PERCENTAGE. | | | |
|------------------------|----------------|----------|---------------------|--------|----------------|-----------|---------------------|-----------|
| | Ameri- can. | British. | Other Countries. | Total. | Ameri- can. | British. | Other Countries. | Total. |
| | Tons. | Tons. | Tons. | Tons. | Tons. | Per Cent. | Per Cent. | Per Cent. |
| 1850 | 5,206 | 2,845 | 659 | 8,710 | 59·77 | 32·67 | 7·56 | 100 |
| 1860 | 12,087 | 4,068 | 910 | 17,065 | 70·83 | 23·84 | 5·33 | 100 |
| 1870 | 6,993 | 9,246 | 2,085 | 18,324 | 38·16 | 50·46 | 11·38 | 100 |
| 1880 | 6,834 | 20,697 | 8,523 | 36,054 | 18·95 | 57·41 | 23·64 | 100 |
| 1881 | 6,629 | 21,651 | 8,509 | 36,789 | 18·02 | 58·85 | 23·13 | 100 |
| 1882 | 6,658 | 20,583 | 8,116 | 35,357 | 18·83 | 58·22 | 22·95 | 100 |
| 1883 | 6,563 | 18,828 | 7,532 | 32,923 | 19·93 | 57·19 | 22·88 | 100 |
| 1884 | 6,439 | 17,125 | 6,709 | 30,273 | 21·27 | 56·57 | 22·16 | 100 |
| 1885 | 6,364 | 17,762 | 6,694 | 30,820 | 20·65 | 57·63 | 21·72 | 100 |
| 1890 | 8,150 | 20,379 | 7,727 | 36,256 | 22·48 | 56·21 | 21·31 | 100 |
| 1900 | 12,345 | 29,812 | 14,287 | 56,444 | 21·87 | 52·82 | 25·31 | 100 |
| 1902 | 13,783 | 31,385 | 15,931 | 61,099 | 22·56 | 51·37 | 26·07 | 100 |

* From the United States statistics. The returns are inclusive of the Lake Trade between the United States and Canada.

Shipping.
Early
promise of
United
States
Shipping.

Our success, it is to be observed, has taken place since we repealed our Navigation Laws, and deprived our ship-owners of every privilege, whilst we have also given them free access to every market for their materials. In Europe we might have expected to remain supreme, but within my own recollection the United States were formidable rivals. When I was a boy American liners were the pride of Liverpool, and careful observers prophesied that United States shipowners must become the carriers of the world. The following passage from De Tocqueville's "Democracy in America" (vol. II., chap. 10) is curious enough to deserve quotation:—

DeTocque-
ville's
Prophecy.

"From the Bay of Fundy to the Gulf of Mexico the coast of the United States extends for nearly 900 leagues. These shores form a single uninterrupted line; they are all under the same rule. There is no nation in the world which can offer to commerce ports with greater depth, greater width, and greater safety. . . . Europe is, then, the market of America, as America is the market of Europe; and maritime trade is as necessary to the inhabitants of the United States, to bring their agricultural produce to our ports, as to take our manufactures to them. The Anglo-Americans have at all times shown a decided taste for the sea. Their independence, in breaking the commercial links which bound them to England, gave a new and powerful impulse to their maritime genius. Since that time the number of the ships belonging to the Union has increased nearly as fast as the number of its inhabitants. At this day it is the Americans themselves who carry to their homes nine-tenths of the imports from Europe. It is the Americans, too, who carry to the consumers of Europe three-quarters of the exports of the New World.* The ships of the United States fill the ports of Havre and Liverpool. One sees but few English or French ships in the port of New York. Thus, not only does the American merchant brave competition on his own soil; he competes successfully with foreigners on theirs. . . . I think that nations, like men, almost always show from their youth

* In 1884-5, according to the statistics of the United States, about 17 per cent. of the value of their trade was carried in United States ships, and 83 per cent. in foreign ships, of which more than two-thirds are British.

the powerful features of their destiny. When I see the spirit with which Anglo-Americans carry on trade, the facilities they possess for doing it, the success which they attain in it, I cannot help believing that they will one day become the first maritime Power of the globe. They are impelled to take possession of the sea as the Romans were to conquer the world."

Shipping.
Present
state of
American
as com-
pared with
British
Shipping.

Such was De Tocqueville's prophecy in 1835. And now the ships of the United States are not one-fourth, or, if steam is taken into account, not one-seventh of those of England! And whilst American ships carry less than one-fifth of the whole trade of the United States, British ships carry much more than one-half of that trade.

England has 50 per cent. of the ocean tonnage and carrying trade of the entire world, and America is nowhere. If England has special advantages from Nature, other nations have the same. As De Tocqueville truly remarks, in seaports, in harbours, in human skill and industry, and in natural aptitude for the sea, America is not inferior to ourselves; of coal and iron she has an ample store; her geographical position is as good as ours. Every port in the world, our own included, is as free to American ships as to ours, whilst the Union closes her trade between her Atlantic and Pacific ports to our ships. But whilst we leave our shipowner to buy his materials and build and buy his ships where and how he pleases, America refuses to place a foreign-built ship upon her register, and imposes a duty of 40 per cent. on the materials of shipbuilding. At the same time, whilst she thus protects her shipowners out of existence, she leaves her capital and energy free to devote themselves to the production of food in her boundless realms of virgin soil, and the consequence is that, whilst she is developing with extraordinary rapidity those natural resources of soil and climate with which her laws have not directly interfered, she has surrendered to us the field in which Nature allows us to compete, and which, at one time, she seemed destined to win also.

We are accustomed to think our railway interest an important interest, and so it is. But in current expenditure on skilled labour our shipping interest is still more important. The fixed capital of the railways is nearly 800

Shipping as
compared
with
Railway
Interest.

millions ; the fixed capital in ships is probably not a fourth or fifth of that amount. But the working expenses of the railways in 1880 were $33\frac{1}{2}$ millions, whilst the outgoings on shipping, which give employment and remuneration to a great variety of forms of skilled labour, probably amount to nearly double that sum. The gross income of the railways in 1880 was $65\frac{1}{2}$ millions. What the gross income of shipping was we have no means of estimating exactly ; but it must have been very large indeed, probably much more than that sum. Our shipping interest is one of which the nation may well be proud.

The paid-up capital of railways in 1902 was £1,216·9 millions, the gross receipts £109·5 millions, the working expenses £67·8 millions. The gross earnings of our shipping have been estimated at £102 millions, of which about £12½ millions is estimated to be expended abroad in payment for stores and coal, port, canal, and other dues.

Present
depression.

I have left the above as it was written in 1880. Since then, as everyone knows, shipping has suffered severe depression. The great prosperity of the trade down to the year 1883 had, as is too often the case, the effect of tempting capital into the trade, and of producing an over-supply.

I cannot give the facts better than in the words of Mr. Williamson.*

“ In 1875 the sailing tonnage of the United Kingdom amounted to 4,144,504 tons.

The steam tonnage to 1,943,197 „

Together .. 6,087,701 „

“ In 1883 the sailing tonnage was 3,471,172 „

The steam tonnage had risen to 3,725,229 „

Together .. 7,196,401 „

“ But that is only a partial and misleading view of the real state of the case, for, seeing that steam-vessels do three times the work of sailing ships, it would appear that, in eight years, the carrying capacity of the mere increase

* Article in *Fortnightly*, of January, 1885.

Shipping.
Present
depression.

in our steam tonnage since 1875 is more than equal to the entire carrying capacity of our mercantile navy of sailing ships at the present time. The real increase in the capacity for work of our tonnage since 1875 would more accurately be represented by the following figures :—

| | | |
|--|--|-----------------|
| “ 1875—Sailing ships | | 4,144,504 tons. |
| Steam, 1,943,197 tons, multiplied by 3 to compare with sailing ship tonnage .. | | 5,829,591 .. |
| Joint capacity for work .. | | 9,974,095 .. |
| “ 1883—Sailing ships | | 3,471,173 .. |
| Steam, 3,725,229 tons, multiplied by 3 to compare with sailing ship tonnage .. | | 11,175,687 .. |
| Joint capacity for work | | 14,646,860 .. |
| “ 1902—Sailing ships | | 1,950,655 tons. |
| Steam, 13,263,865 tons, multiplied by 3 to compare with sailing ship tonnage ... | | 39,791,595 .. |
| Joint capacity for work | | 41,742,250 .. |

The increase in 1902 shows that the additions made to our mercantile marine in 1883 were not altogether “ wild and unjustifiable.”

“ Such an increase has been altogether wild and unjustifiable, seeing our import and export trade has not grown of late years to any appreciable extent, and that our foreign commerce has for the present lost its former elasticity. The member for Birkenhead, who is a shipowner, chooses to pour out his sorrows on the floor of the House of Commons, and entreats Parliament to find a remedy. It would be more becoming that shipowners should seek some secluded spot and shed penitential tears over mistakes and miscalculations, which it is utterly beyond the power of the House of Commons to remedy. We shipowners (for I must myself speak as an erring member of the body) have seen the enormous yearly increase in our tonnage, and we gave no heed to the lesson till adversity

Shipping. has shown us our folly. As an instance of folly, I may
Present state that one steamship company, which has come into
depression. existence within the last few years, and which has had to
create trades for its vessels, has floated about two miles
in consecutive length of steamships within a very short
space of time. Not only has ill-advised enterprise of this
description been most unprofitable to those concerned, but
it has spread dismay among all the other companies with
which its necessities have compelled it to enter into com-
petition."

It may be added that this unhealthy competition has
had also the effect of leading persons who had no know-
ledge of the business to invest money in it, too often
imprudently and incautiously, and has thus been one
amongst other causes of the state of things which has led
to the present Royal Commission on Unseaworthy Ships,
Loss of Life at Sea. In this place it may not be amiss to
refer to one infringement of Free Trade principles which
had the effect of aggravating the evil—viz. the French
bounties on shipping, which induced an unnatural activity
in English shipbuilding yards, for the purpose of supplying
French owners with English-built ships, before the period
at which Protection to French-built ships should come
into complete operation.

It need scarcely be added that the depression in question
is, of course, fully shared by foreign shipping. Indeed, the
proportion of British shipping employed in our own carry-
ing trade has increased since 1883. The tonnage of ship-
ping built, excluding ships built for foreigners, has de-
creased from 768,576 in 1883 to 497,442 in 1884, and to
405,386 in 1885. A diminution in supply and a continual
increase in demand will, no doubt, in course of time remedy
the present suffering. Meanwhile we more than hold our
own with other nations.

In 1902 the total net tonnage of ships built for foreign countries
was 150,000 tons, and of ships for the home trade 800,000 tons, in
both cases exclusive of war vessels.

CHAPTER XLVII.

SPECIAL INSTANCES OF THE EFFECTS OF FREE TRADE AND OF PROTECTIVE DUTIES ON PRODUCTION—LEATHER, SALT, SILK, CLOCKS, WOOLLENS, STEEL RAILS, COPPER, BISCUITS, WIRE, JUTE.

THERE are one or two special illustrations of the benefit of free tariffs in forwarding production, which it may be worth while to mention specially.

Leather.

At the recent Leather Exhibition in this country it appeared that the exportation of boots and shoes from this country was largely increasing, whilst the importations from France and other countries were decreasing, and at the same time the importation of tanned and dressed hides into this country was largely increasing. The following is the statement in the report in the *Times* of September 27th, 1881 :—

Leather.
Increase of
Manu'ac-
tures of.

“ The increase in the number of exhibits this year as compared with last is, roughly speaking, proportional to the improvement which has in the interval taken place in the trade of our boot and shoe manufacturers, the Board of Trade returns for the seven months ending July 31st, this year, showing that we exported 3,277,740 pairs of boots and shoes in that period against 2,800,992 in the corresponding period of 1880, and 3,071,424 in 1879. Our Australian Colonies took 1,309,752 pairs. The imports of boots and shoes, on the contrary, showed a decline. While 1,041,624 pairs were imported from France and other countries in the first seven months of 1879, only 711,420 pairs were imported in 1880, and but 572,232 pairs in the corresponding period this year.

“ From these figures it is argued that our English manufacturers are rapidly improving the quality and finish of their goods, and are so enabled to compete successfully with Continental makers. Of materials, on the other hand, importations show an increase. In the first seven months

Special
illustra-
tions.

of 1879 we imported 21,144,765 pounds weight of tanned and dressed hides; in 1880 the quantity had risen to 26,516,269 lbs., and in 1881 to 28,686,360 lbs."

In 1901 our exports of boots and shoes amounted to 8·4 million pairs, which would give 4·9 million pairs for seven months. The Australian Colonies took 1·3 million pairs during that year. The imports have increased since 1881, amounting in 1901 to 3·6 million pairs, but it is interesting to notice that the imports have not interfered with our own industry, since the quantity imported of hides, the raw material of bootmaking, was 1,110,262 cwts. in 1902, against 1,011,326 cwts. in 1881. It is also worth notice that the export to Australia of British-made boots and shoes has decreased, this item, at any rate, not bearing out the contention that the United Kingdom's manufacturing existence depends upon the Colonies.

Free Im-
portation
of Foreign
Hides.

It further appeared from the speech of Mr. Jackson, M.P., that we import tanned leather to the value of three millions a year, that much of this leather comes from America, and that live cattle come here from America, that they are killed here, that their skins are sent back to America to be tanned, and that they are then sent back here to be used in manufacture. The reason, as I am informed, is not that we do not tan hides as well as the Americans; but that they, adopting newer and rougher methods, do the first part of the process more quickly and cheaply than we do, so that it is worth while to commence tanning in America, and then send back the hides to be completely tanned, and then used, in England. If so, it is a remarkable instance of modern division of labour, and of the advantage of free, cheap, and speedy communication.

The value of hides exported from the United Kingdom to the United States fell from £1 million in 1898 to £464,000 in 1902, thus seeming to indicate that we are tanning more of our own leather. In 1902 we imported £3,860,000 worth of dressed leather. While in 1882 we exported 634,000 doz. pairs of boots and shoes, in 1902 we exported 789,000 doz. pairs. In 1902 we imported 244,000 doz. pairs, as against 130,000 doz. pairs in 1888, the first year in which boots and shoes are given as a separate item in the Statistical Abstract. From these figures, it is clear that our increased imports of leather and of boots and shoes are not interfering with home industry, but that they enable our own people to be better shod, while our manufacturers are sending increased supplies to the foreigner.

It would, no doubt, save labour and expense if we could do the whole of the process of tanning as cheaply as the Americans, and it is to be hoped we may learn to do so. But our present system gives us both the finer process of tanning and the manufacture for export as well as for home consumption of cheap boots and shoes; whereas, if we imposed a tax on tanned hides for the supposed benefit of our tanners, we should probably destroy all prospect of improvement in our own tanning, and we should still more probably ruin our manufacture of boots and shoes, and divert it to our foreign rivals.

Leather,
Tanning
and Manu-
factures of.

In turning to the returns, in which attempts have been made to discriminate between raw materials and manufactures, I find tanned hides inserted among manufactures. And in turning to the tariffs of foreign countries, I find that tanned leather is subject to a duty in France, Germany, Russia, Denmark, Sweden, Norway, Austria, Italy, and the United States. They would become more formidable competitors if they would give to their skilful and ingenious workers in leather the benefit of untaxed hides; but this they dare not do, for fear of their agriculturists.

From the most recent reports, it appears that this branch of English trade continues to be prosperous. The exports of manufactured leather grew very largely until 1882, and have since remained large. The imports of raw materials, in the shape of hides, continue to increase; and though the exports of boots, shoes, and other manufactured articles were not quite so large in 1884 as in some previous years, they maintained a high figure, and appear, by the most recent returns, to be on the increase.

The value of manufactured leather of British and Irish production increased from £2·3 millions in 1884 to £3·8 millions in 1902.

Salt.

Take, again, salt. Salt enters largely into manufacture. It is a chief material of alkali, and alkali of glass. France imposes a heavy duty on salt. In this country it is free and cheap. We export a large and increasing quantity of alkali (nearly 7,000,000 cwts. in quantity, and £2,400,000 in value, in 1880; and about the same in quantity, though less in value, in 1884), and a large and increasing quantity

Salt,
French
duty on.

Special
illustra-
tions.

of glass (£1,000,000 in value in 1880, and more, both in quantity and value, in 1884), whilst neither alkali nor glass appears among the principal articles of French export. Chemicals in the French list may possibly include "alkali," but, if so, I find that the export of French chemicals increased little, if at all, in the ten years ending with 1880, and was then only 56,700,000 francs, whilst the export of English chemicals increased from £733,422 in 1866 to £2,384,021 in 1880. In this case we can probably produce salt more cheaply than France, owing to our geological formations. But she enhances her natural difficulties by an artificial one.

Our exports of chemicals increased to £3·5 millions in 1902, and our exports of glass had increased from £1·05 million in 1884 to £1·1 million in 1902. France, in spite of her heavy duties on salt, which she has slightly increased since 1885, has made great strides in the manufacture of chemicals. The exports fell to 45·6 million francs in 1888, but had risen to 88·3 million francs in 1902. In that year, however, there were forebodings expressed in the official "Rapports Commerciaux" as to the rivalry of Germany in the chemical trade, thus showing that the fear of foreign competition is not confined to Free Trade countries.

Silk.

Again, if we take silk, which is a special French manufacture, it appears that France exported to us silk goods the produce of her own manufacture, to the amount of 6½ millions sterling in 1860, before the French Treaty came into operation, and to the amount of 10½ millions in 1866, whilst the amount she exported to us in 1884 was only 4 millions; and I am informed that this diminution is due to the Protective duties she levies on cotton yarns, which are wanted to mix with the silk, and which her manufacturers have consequently to pay dear for, whilst her successful rivals in Switzerland get their cotton yarns almost duty free. This subject has been lately much mooted in France. The following is an extract from the *Standard* of December 31st, 1884:—"The Lyons silk weavers maintained that many of the yarns could not be obtained elsewhere than in England, and that the

Silk;
French
duty on
Cotton
Yarns.

competition of their industry with the silk industries of other countries was rendered absolutely impossible owing to the high Customs to be paid on this their raw material. The cotton spinners of the northern districts, fancying their interests menaced, lost no time in protesting against the conclusions of the Lyons delegation, and contended that the distress among the weavers of Lyons was as nothing compared with that prevailing in the cotton districts." The remedy suggested by the President of the Lille Chamber of Commerce is very curious. It is to raise the duties on agricultural products, to make food dearer to all classes, and to restrict foreign trade, in order that by this means French agriculturists may grow rich, and become better purchasers of French manufactured goods! In a French official report,* I find that at St. Etienne, where silk ribands are the great manufacture, and where cotton yarns are used as one of the principal materials of the mixed fabrics now in fashion, the value produced has decreased in a few years from 95 to 50 millions of francs; the population has decreased in two years by 25,000; 10,000 hands are out of work; and 30,000 deprived of means of livelihood. In Lyons and its neighbourhood things are little better. Upwards of 100,000 hands are hard hit from the same cause. The exports of silk goods from France, which were worth nearly 420 millions of francs in 1874, were worth only 300 millions in 1883, and the imports had increased in the same time. Many causes are alleged for this depression in the French silk trade, amongst other the heavy *octroi* duties on articles of consumption, and the heavy national taxation. But the chief permanent cause alleged is the duty on cotton yarns which is imposed for the purpose of protecting the French cotton spinners of the North. And the remedy proposed is to lower these duties; and also to give a bounty on the export of French ribands! Meanwhile, I find that the exports of silk manufactures from England, which had dropped from a million and a half in 1860 to a million in 1867, rose in 1880 to two millions, and in subsequent years to considerably over two millions.

* No. C. 4667 of 1886. Report by M. Lanessant, presented to Chamber of Deputies.

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tions.

Exports of silk manufactures from France had fallen from 301·2 million francs in 1883 to 258·1 million francs in 1900, the duties on cotton yarn in the meantime having been increased. Since 1880 the exports of British manufactured silk have fallen from £2 millions to £1·4 million in 1902, while the foreign and Colonial silk exported has increased from £259,023 to £1,071,633, and the imports of silk from France have also shown a large increase. The French official returns are pointing out that England is far the best customer for their silk goods. The value exported to England is given as 136·9 million francs in 1901, and 146·8 million francs in 1902, while the same report states that annually about 100 million francs' (about £4 million) worth of silk goods credited to France by British returns are really of Swiss and Italian origin. This statement remarkably bears out the suggestion advanced elsewhere that a considerable portion of our excess imports from France is really due to goods in transit from Italy and Switzerland, and is paid for by exports to Italy, to which country we send a much greater quantity of goods than it appears from our figures that we receive in return.

Clocks.

Clocks in
England
and United
States.

Take, again, clocks. The American clock manufacturers have for a great many years been the only makers who supplied the rest of the world with ordinary mantel clocks. A large business has been done, especially in those countries, such as England and the British Colonies, where mantelpieces are so used. Until a few years ago they had the field to themselves, when the same goods began to be made in England and Germany. Clocks thus made are gradually pushing the American goods out of the market. The difference in price is now so large that it is possible to-day to deliver some of these goods in America, with the 30 per cent. duty and freight, cheaper than the American goods. This is due to the great expense of American labour, and also of the fine materials of which clocks are made, and which have to pay the enormous American duty. Under these circumstances, American makers are losing the power of exporting, and are even outsold at home, as is shown by the following figures —

| Years. | Import of Clocks from the United States into the United Kingdom. | Export of Clocks and Watches and parts thereof (of British produce) from the United Kingdom to the United States. |
|--------|--|--|
| | Value. £ | Value. £ |
| 1880 | 153,815 | 29,979 |
| 1881 | 126,466 | 44,617 |
| 1882 | 129,159 | 73,207 |
| 1883 | 112,175 | 83,339 |
| 1884 | 106,704 | 65,871 |
| 1885 | 97,427 | 33,213 |
| 1902 | 76,000 | 26,000 |

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illustra-
tions.

The American duty on clocks has been raised to 40 per cent. Yet, in spite of this, British clocks and watches to the value of £26,000 were imported into the United States in 1902; in the same year our import of clocks from the United States was £76,000, and of clocks, watches, and parts thereof, £133,000.

Wool and Woollen Goods.

Take, again, the wool and woollen goods. On them there were in the United States small Protective duties before the Civil War. These duties were largely increased during the war, and were so arranged as to give manufacturers of woollen goods compensating duties for the duties on wool; compensating duties for other internal taxation—since repealed; and Protective duties in addition. These duties were, at the instance of wool-growers and manufacturers, altered in 1867, so as to raise both the compensative and Protective duty, and they now amount to from 50 to 100 per cent. on manufactured goods. The following is the practical result, extracted from Taussig's "History of the United States Tariff":—

Woollens
in United
States.

"The most remarkable fact in the history of this piece of legislation was its failure to secure the object which its supporters had in mind. Notwithstanding the very great degree of Protection which the manufacturers got, the production of woollen goods proved to be one of the most unsatisfactory and unprofitable of manufacturing occupations. As a rule, a strong Protective measure causes domestic producers to obtain, at least for a time, high

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tions.
Woollen
goods.

profits; though under the ordinary circumstances of free competition profits are sooner or later brought down to the normal level. But in the woollen manufacture even this temporary gain was not secured by the home producers after the Act of 1867. A few branches, such as the production of carpets, of blankets, of certain worsted goods, were highly profitable for some years. These were the branches in which the compensating duties were most excessive, and the prominent manufacturers engaged in them had done most to secure the passage of the Act of 1867. Profits in these branches were, in course of time, brought down to the usual level, and in many instances below the usual level, by the increase of domestic production and domestic competition. The manufacture of the great mass of woollen goods, however, was depressed and unprofitable, even during the years immediately following the Act, notwithstanding the speculative activity and superficial prosperity of that time. Not only then, but throughout the period between 1867 and the present, there can be no doubt that the manufacturers have been steadily complaining, and have steadily found it difficult to make even average profits on their goods. One great cause of this undoubtedly has been that the tariff of 1867 gave particularly high Protection on the cheaper and commoner grades of goods, and that domestic producers have been tempted to devote themselves too exclusively to making such goods. The high duty on wool, and the consequent hampering of the manufacturer in the choice of his material, have tended in the same direction. The majority of finer woollen goods are at present imported, and the manufacture in this country is confined chiefly to cheaper grades. The competition in the latter has been keen, and the production greater than the market can easily absorb. The entire absence of foreign competition has at the same time caused the machinery and methods of production in many mills to be backward and inefficient.

“Moreover, the unprosperous state of the manufacture has had a depressing effect on the prices of wool, and on the wool-growers. It is often said that the artificial condition of the tariff, in causing the manufacturers to confine

themselves chiefly to cheap goods, has prevented the wool-growers from obtaining any benefit whatever from the high duties on their material. However this may be, it is certain that the expectations of the wool-growers, founded on the Act of 1867, were greatly disappointed. The final result of the existing system has been an increase of cost to consumers, without any permanent benefit to producers."*

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illustra-
tions.
Woollen
goods.

The exports of woollen manufactures from the United States have been as follows :—

| | Aggregate Values Exported. | To the United Kingdom. | | Aggregate Values Exported. | To the United Kingdom. |
|----------|----------------------------------|------------------------------|----------|----------------------------------|------------------------------|
| 1879 ... | £72,292 | ... £2,083 | 1883 ... | £76,250 | ... £1,666 |
| 1880 ... | 45,208 | ... 2,708 | 1884 ... | 146,690 | ... 28,186 |
| 1881 ... | 68,958 | ... 3,125 | 1885 ... | 161,658 | ... 21,968 |
| 1882 ... | 85,000 | ... 3,125 | 1901 ... | 321,000 | ... 20,000 |

Since 1885 the American duties on woollen yarns and woollen manufactures have been very largely increased. In that year yarns were dutiable at the rate of from £2 6s. 8d., plus 35 per cent. *ad valorem*, to £8 3s. 4d., plus 30 per cent. In 1902 yarns of corresponding quality paid duties of £6 8s. 4d., plus 40 per cent., to £8 19s. 8d., plus 40 per cent.; flannels, etc., in the earlier year paid £2 6s. 8d., plus 35 per cent.; in the later, £5 2s. 8d., plus 30 per cent.; cloaks, etc., £10 10s., plus 40 per cent., and £10 5s. 4d., plus 60 per cent.; women's and children's dress goods, per square yard, 2½d., plus 35 per cent., to 4½d., plus 40 per cent.; in 1902, 5½d., plus 50-55 per cent.; carpets, 4d., plus 30 per cent., to 1s. 10½d., plus 30 per cent.; in 1902, 9d., plus 40 per cent., to 2s. 6d., plus 40 per cent. Though these very high duties doubtless checked the import trade with Great Britain, America still took £1,462,000 of our woollen manufactures in 1902. That they failed to encourage the export trade is shown by the paltry increase of exports from £162,000 in 1885 to £321,000 in 1901, in which year the United Kingdom took less than in 1885. The total imports of woollen manufactures in 1885 were \$35·8 million, and in 1900 \$15·8 million; in 1897 they were \$49·2 million, and were reduced in one year by the Dingley Tariff to \$14·8 million. It is interesting to notice that, as compared with 1885, when American imports of woollens were large, and 1900, when they were much reduced, the proportion of British to foreign woollens consumed by America has not decreased,

* Taussig's "History of the Existing Tariff," ch. iii., p. 64. Putnam, 1884.

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tions.

but increased, thus showing that Free Trade England is better able than her Protectionist rivals to compete in a heavily protected market.

Woollen
goods.

In *Bradstreet's Journal* of December 30th, 1883, I find the following statement: "The New England mills may be said to employ 12,000 fewer hands than in 1882. The woollen industry has suffered for a year or two more than cotton."

Compare with this the account of the English woollen industry, which is neither hampered nor fostered by tariff arrangements.

A competent observer says—

"It is consolatory to be able to turn from the consideration of distressed industries to some which are, upon the whole, prosperous, and in which artisans and operatives are fully employed. One such is the worsted and woollen trade of Yorkshire—more especially of Bradford. It is most gratifying to find in that centre of industry, which was filled with gloom and anxious forebodings a couple of years ago, that the population is now fully employed, and that some machinery is actually standing idle from want of a sufficient supply of skilled operatives to keep it going."*

* * * * *

This is borne out by the following official returns of exports:—

Woollen Manufactures Exported from the United Kingdom, 1879-1885, in the aggregate, and to the United States.

| Years. | Aggregate Value Exported from the United Kingdom. | Exported to the United States. | |
|--------|---|--------------------------------|-----------|
| | | Quantity. | Value. |
| | £ | Yards. | £ |
| 1879 | 15,861,166 | 33,040,300 | 1,572,210 |
| 1880 | 17,265,177 | 40,646,800 | 2,530,700 |
| 1881 | 18,128,756 | 32,948,200 | 2,227,542 |
| 1882 | 18,768,634 | 42,412,900 | 2,859,311 |
| 1883 | 18,315,575 | 44,508,500 | 3,015,269 |
| 1884 | 20,136,561 | 41,737,000 | 3,150,210 |
| 1885 | 18,847,053 | 41,197,800 | 2,885,336 |

* Article by Mr. Williamson on Agricultural and Commercial Depression, in the *Fortnightly Review* for January, 1885, p. 77.

In 1890 our exports had risen to £20·4 million, but in 1900 they had fallen to £15·7 million, and in 1902 showed a further fall to £15·3 million; the value of yarns, which was £4·4 million in 1885, was £4·1 million in 1890, £4·5 million in 1900, and £3·5 million in 1902. From this reduction in our exports of woollens Protectionists and other pessimists leap to the conclusion that our woollen manufactures are decaying, but here is a striking instance of the danger of judging the position of an industry by the amount of its products exported. For when the home population is prosperous the home market is the most profitable, and exports decrease simply because a better business can be done at home. If woollen manufactures were declining, less wool would necessarily be consumed, whereas precisely the opposite is the case. The following table shows the amount of wool used in our manufactures for the following years :

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illustrations.
Woollen
goods.

| Year. | Wool Imported. | Wool re-exported. | Balance of Foreign and Colonial Wool retained. | Estimate of Domestic Clip. |
|-------|----------------|-------------------|--|----------------------------|
| | Million lbs. | Million lbs. | Million lbs. | Million lbs. |
| 1885 | 555·7 | 267·5 | 233·2 | 136 |
| 1890 | 633·0 | 340·7 | 292·3 | 138 |
| 1895 | 775·4 | 444·9 | 370·5 | 135 |
| 1900 | 559·0 | 196·2 | 362·8 | 141 |
| 1902 | 643·3 | 285·4 | 357·9 | 136 |

| Year. | British and Irish Wool Exported. | Exports of Woollen Manufactures. | Population. | Consumption of Wool per head of Population. |
|-------|----------------------------------|----------------------------------|-------------|---|
| | Million lbs. | Million £. | Millions. | lbs. |
| 1885 | 23·5 | 18·8 | 35·3 | 10·1 |
| 1900 | 19·5 | 18·4 | 37·5 | 11·4 |
| 1895 | 21·7 | 19·7 | 39·2 | 13·0 |
| 1901 | 24·9 | 15·7 | 41·2 | 12·2 |
| 1902 | 37·2 | 15·3 | 42·0 | 11·8 |

From the above it is clear that far more wool both absolutely and per head of the population was manufactured in 1902 than was the case in 1885, and since the exports were less in value by £3,000,000 in the latter year, it is also clear that the people of the United Kingdom are better able than they were then to afford the purchase of woollen clothing and other goods. If the official statistics gave the weight as well as the value of woollen manufactures imported and exported by all the leading countries, it would be possible to calculate with some exactness the increase or decline in the use of woollen goods by their respective peoples. As it is, the figures show that indubitably more wool per head was actually used in the United

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tions.

Woollen
goods.

Kingdom in the last ten years than in the ten years preceding them ; while they also suggest that in Germany population and the export of woollen goods are increasing at a greater rate than the production of home-grown wool and the import of foreign wool and foreign manufactures, and that, therefore, the German people have less wool left for their own use than was formerly the case. Taking, for instance, the years 1892 and 1897, for which the number of sheep in Germany was given in the "Foreign Abstract," published by the Board of Trade, and estimating the clip by multiplying the number of sheep by 4·5—4·5 lbs. being taken by the Board of Trade as the average weight of a fleece in the United Kingdom—we have data for the following table :—

CONSUMPTION OF WOOL IN GERMANY.

| | Domestic clip. Million lbs. | Raw Wool Imported. Million lbs. | Raw Wool Exported. Million lbs. | Retained for Home Consumption. Million lbs. | Population. Million. | Consumption per head. lbs. |
|------|--------------------------------|---------------------------------------|---------------------------------------|--|-------------------------|----------------------------------|
| 1892 | 61 | 333 | 17 | 377 | 50·0 | 7·6 |
| 1897 | 49 | 336 | 23 | 362 | 53·1 | 6·8 |

The domestic production of wool for these years may have been more or less than here estimated, but the basis of calculation is the same for both years, and it therefore follows that the amount of wool per head used in German manufactures was less in the latter than in the former, and was in both years very much below the corresponding figures for the United Kingdom. And it seems that the amount per head of wool used by the German people had decreased, even more than the amount per head manufactured in the country, for in 1892 the export of woollen yarns, cloth stuffs, and wearing apparel exceeded the imports by 16·7 million kilogrammes, while in 1897 the excess had risen to 18 million kilogrammes.

Steel Rails.

Steel rails
in United
States.

Take, again, the case of steel rails. The following is an extract from the same authority as I have quoted above :—*

"During the great demand for railroad materials which began on the revival of business in 1879, and continued for several years thereafter, the prices of steel rails were advanced so high that English rails were imported into the United States even though paying the duty of one hundred per cent. During this time the price in England was on the average,

* Taussig's "History of the United States Tariff," p. 69.

Special il-
lustrations*
Steel rails.

in 1880, about 36 dols. per ton, and in 1881 about 31 dols. per ton. In the United States, during the same years, the price averaged 67 dols. and 61 dols. per ton. That is, consumers in the United States were compelled to pay twice as much for steel rails as they paid in England. Anything which increases the cost of railroad building tends to increase the cost of transportation, and a tax of this kind eventually comes out of the pockets of the people in the shape of higher railroad charges for carrying freight and passengers. The domestic producers of steel rails secured enormous profits of one hundred per cent. and more on their capital during these years. These profits, as is always the case, caused a great extension of production. The men who had made so much money out of Bessemer steel in 1879-1881 put this money very largely into establishments for making more steel. New works were erected in all parts of the country. At the same time the demand fell off in consequence of the check to railroad building, and the increased supply, joined to the small demand, caused prices here to fall almost to the English rates. But during the years of speculation and railroad building the tariff had yielded great gains to makers of steel rails, and popular feeling against this state of things was so strong that in 1883 Congress felt compelled to make a considerable reduction in the duty*—a reduction, however, which has no practical effect, because the unnatural increase in production in the United States, owing to the Protective duty, and the subsequent decrease in demand, have lowered the price of steel rails in the United States so much that the reduced duty is still prohibitory."

The following table shows that the people of the United States have had to pay to their steel rail manufacturers prices varying from 30 to 50 per cent. more than has been paid in England.

In the earlier years cost of production was much higher in America than in England. There is now little difference, but the tariff is used to save prices at home and meet the loss of selling under cost abroad.

* Taussig's "History of the United States Tariff," chap. iii., pp. 69, 70.

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tions.

*Products, Imports, and Foreign and Domestic Prices, in Dollars, of
Bessemer Steel Rails.*

Steel rails.

| Year. | Product in United States. ¹ | Imports into United States. ¹ | Average Price in United States. ² | Average Price in England. ² | Average Difference in Price. |
|-------------------|---|---|---|--|------------------------------------|
| 1871 | 38,000 | Not given | 91'70 | 57'70 | 34'00 |
| 1872 | 94,000 | 150,000 | 99'70 | 67'30 | 32'40 |
| 1873 | 129,000 | 160,000 | 95'90 | 74'40 | 21'50 |
| 1874 | 145,000 | 101,000 | 84'70 | 57'50 | 27'20 |
| 1875 | 291,000 | 18,000 | 59'70 | 44'10 | 15'60 |
| 1876 | 412,000 | none | 53'10 | 37'70 | 15'40 |
| 1877 | 432,000 | " | 43'50 | 31'90 | 11'60 |
| 1878 | 550,000 | " | 41'70 | 27'20 | 14'50 |
| 1879 | 684,000 | 25,000 | 48'20 | 24'70 | 23'50 |
| 1880 | 954,000 | 158,000 | 67'50 | 36'00 | 31'50 |
| 1881 | 1,330,000 | 249,000 | 61'10 | 31'20 | 29'90 |
| 1882 | 1,438,000 | 182,000 | 48'50 | 30'00 | 18'50 |
| 1883 | 1,286,000 | 38,220 | 37'75 | 25'40 | 12'35 |
| ³ 1884 | 990,000 | 25,000 | 34'0 | 21'80 | 12'20 |
| 1887 | 2,119,000 | 152,000 | 37'12½ | 19'70 | 17'42½ |
| 1890 | 1,871,000 | — | 31'75 | 27'39 | 4'36 |
| 1896 | 1,117,000 | — | 28'75 | 22'20 | 6'55 |
| 1900 | 2,385,000 | — | 39'75 | 31'10 | 8'65 |

¹ In net tons of 2,000 lbs.

² Price per gross ton of 2,240 lbs.*

³ From 1884 all figures are given in gross tons of 2,240.

The prices given above are taken from trade papers of the periods referred to, the figures for production from the British Statistical Abstract for Foreign Countries.

In 1901, Mr. Holt, giving evidence before the Industrial Commission of the United States, said that steel rails were sold to foreigners at less than 21 dol. per ton, the price in the United States home trade being 26 dol. at the time, the export price apparently not including freight to destination. "On this basis," says the Board of Trade volume on British and Foreign Trade and Industry (1903), "the price of these rails delivered in England would be about £5 per ton. At that time the English market was in a decidedly depressed condition. Steel rails were not readily saleable above £5 10s. to £5 15s. per ton, though, in fact, so little business was then being done that it is impossible to say exactly what the ruling value of rails was. Probably the North of England manufacturers would have been glad to take £5 10s. per ton net at works, or even a little less if the order were a large one. On the whole, the allegation that these rails were sold by the United States vendors to some foreign country at the price mentioned by this witness does not appear incredible."

* Taussig, p. 107.

The exports of steel rails from the United States are very small, varying in values from £1,000 to £43,000 a year.

Special illustrations

Steel rails.

The exports since 1884 rose to very high figures, but have since been falling again. The Board of Trade publication on British and Foreign Trade and Industry for 1903 states that "while the manufacturers of this country were free from the competition of American iron and steel in 1899, the first months of 1900 saw the United States begin an invasion of the British market which was carried on with remarkable energy until the early part of the the following year, after which this campaign came to an end." On March 16 *Rylana's Iron Trade Circular* wrote that "American competition has ceased almost for the present in iron and steel." In Wals "there are more tin-bars being made, the price having been reduced to a competitive point with America." On April 6 there was a delivery of 2,000 tons of steel rails for the Great Eastern Railway Company from the Carnegie Company, Pittsburg, part fulfilment of a contract made some time before, but *Rylana's* in its first number of 1902 stated with regard to 1901 that "after the first few months of the year selling competition from the States to this country was practically non-existent"; and the Board of Trade memorandum sums up, "From the end of April onwards we hear little, if anything, more of any effective competition on the part of American iron and steel in the British market in 1903."

It would not, however, be surprising if we did import steel rails largely from America, since Mr. Farquhar, President of the American Steel Hoop Company, told the Industrial Commission that in America "the great advantage is the raw material. England's coal price is 4.50 dol. and coke 5.50 dol. Our coal is 1.50 dol. at Pittsburg, our ore costs less, and transportation rates on the Lakes are lower than anywhere else in the world."

In spite of this great advantage, it was stated by nearly all the witnesses examined that the steel "dumped" in the United Kingdom was sold at a loss in order to keep their mills running, which seems to indicate that the Protective policy of their country is very effective in nullifying the immense natural advantages of which they boast.

Copper.

Take again the case of copper.

The following is a further extract from Taussig's "History of the United States Tariff":—

Copper in United States.

"Before 1869 the duty on copper ore had been 5 per cent.; that on copper in bars and ingots had been two and a half cents per pound. Under the very low duty on

Special
illustra-
tions.

Copper.

copper ore, a large industry had grown up in Boston and Baltimore. Ore was imported from Chili, and was smelted and refined in these cities. But during the years immediately preceding 1869 the great copper mines of Lake Superior had begun to be worked on a considerable scale. These mines are probably the richest sources of copper in the world, and, under normal circumstances, would supply the United States with this metal more cheaply and abundantly than any other country ; yet, through our tariff policy, these very mines have caused us for many years to pay more for our copper than any other country. The increased production from these mines, with other circumstances, had caused copper to fall in price in 1867 and 1868, and their owners came before Congress and asked for an increase of duties. Copper ore was to pay three cents for each pound of pure copper, equal to twenty-five or thirty per cent., in place of the previous duty of five per cent., and ingot copper was to pay five cents per pound instead of two and a half cents. A more open use of legislation for the benefit of private individuals has probably never been made. The effect of the Act was, in the first place, to destroy the smelting establishments which had treated the Chilian ores. In the second place, it enabled the copper producers at home to combine, and to settle the price of their product without being checked by any possible foreign competition. It is a well-known fact that the mining companies of Lake Superior, which controlled, until within a year or two, almost the entire production of copper in the United States, have maintained for many years a combination for fixing the price of copper. Their price has been steadily higher than the price of copper abroad, and when they have found it impossible to dispose of all their product at home at the combination price, large quantities have been sent abroad, and sold there at lower prices, in order to relieve the home market. Several of these companies have paid for a series of years enormous profits—profits due in part, no doubt, to the unsurpassed richness of their mines, but in part also to the Copper Act of 1869.”*

Compare with this account an account of the copper

* Taussig “ History of the Existing Tariff,” ch. iii., pp. 65-67.

trade in England, by the same competent authority I have referred to before :— *

Special illustrations.
Copper.

“ The copper trade all through the late period of depression has been well maintained. If copper smelters have not been exceedingly prosperous—owing, perhaps, to the rapid and steady decline in the price of copper—their works and their men have at least been fully occupied, and their industry has grown of late by leaps and bounds. It may be of interest to give a few figures relating to the copper trade. The following have been the deliveries to smelters and others of foreign copper, consisting of copper ores, half-smelted copper, and bars, at the ports of London, Swansea, and Liverpool, stated in tons of pure copper—

| | | | | | | | |
|--------|----------------------|---|--------------|------|-----|-----|--------------|
| “ 1880 | ... | ... | 64,451 tons. | 1882 | ... | ... | 67,382 tons. |
| 1881 | ... | ... | 63,397 „ | 1883 | ... | ... | 73,394 „ |
| 1884, | up to 15th December, | 84,441 tons, which | | | | | |
| | | may be taken <i>pro rata</i> for the twelve months as | 88,112 „ | | | | |

“ The supply from the Cornish mines has fallen off very markedly during the last quarter of a century, and must ere long become extinct, not from failure of the ores, but because the mines cannot be worked in competition with rich copper mines abroad. The following *data* may be interesting. In the year 1800 the produce of British mines forming the entire supply was 11,500 tons pure copper. In 1832, the year before any foreign copper was imported, the total had only risen to 11,941 tons pure copper. In 1833 foreign ores from Cuba and Chili were imported in a limited extent, but smelters had to give bond to re-export the copper product within six months, and were on that account often forced to sell to France at £5, or even £10, per ton under the price which they were getting in Birmingham. These fetters and restrictions were swept away with the Navigation Laws, and ever since the copper trade has increased rapidly, and continues to grow marvellously. The Cornwall and other British copper mines attained their maximum importance in 1856, when they yielded 13,275 tons of pure copper. In 1862 the production had fallen to 11,268 tons; 1875 production gave only 3,370 tons, 1880 gave only 2,783 tons, 1883 gave 2,526 tons, and 1884 only 2,410 tons. It results, therefore, that our copper in-

* Article by Mr. Williamson, *Fortnightly*, Jan., 1885.

Special illustrations.
Copper.

dustry, which half a century ago was fed entirely by the produce of our own mines, and which was established solely to utilise that produce, came, through the operation of unrestricted commerce, to be fed in 1884 as follows, viz. :—

“ From the home sources of supply with ... 2,416 tons.
From foreign sources with 88,112 „

“ Who can doubt but that the operation of our unrestricted commercial policy has been, in regard to this great industry, of the most beneficent character? Yet the ruined British copper miners might have called out in past years as lustily as some British landowners are now doing for inquiries in order to make good a demand for Protective duties. Had such a demand been granted to the copper miners of Cornwall, the copper trade might have been strangled, and the development of this important industry in England might never have obtained the pre-eminence it enjoys.”

“ The exports of British copper amount in value to three millions and a half, and are increasing. The following table, extracted from Taussig’s “ History of the United States Tariff,” shows that during the last ten years the British consumer has had the benefit of the Free Tariff in a price of copper varying from one-third to one-seventh less than the price charged to the consumers of the United States by their privileged manufacturers.

PRODUCTION OF COPPER IN THE UNITED STATES, AND FOREIGN
AND DOMESTIC PRICE.
(Quantities in Gross Tons.)

| Year. | Domestic Production. | Price per lb. in Cents. | | Difference in Price. |
|-------|-------------------------|--------------------------|-----------------------|-------------------------|
| | | New York Lake Copper. | London Chili Bars. | |
| 1875 | 18,000 | 23'0 | 18'0 | 5'0 |
| 1876 | 19,000 | 21'5 | 16'5 | 5'0 |
| 1877 | 21,000 | 19'0 | 14'6 | 4'4 |
| 1878 | 21,500 | 16'5 | 13'5 | 3'0 |
| 1879 | 23,000 | 17'5 | 12'2 | 5'3 |
| 1880 | 27,000 | 20'0 | 13'5 | 6'5 |
| 1881 | 32,000 | 18'5 | 13'3 | 5'2 |
| 1882 | 41,000 | 18'7 | 14'4 | 4'3 |
| 1883 | 52,000 | 16'1 | 13'7 | 2'4 |
| 1884 | 6 mos. | 14'5 | 12'1 | 2'4 |

Considering the great advantages the United States possess in their copper mines, this is a very striking instance of the way in which freedom operates to produce a healthy trade to the producer and low price to the consumer, whilst Protection has an opposite effect.

Special
illustra-
tions.
Copper.

For 1885 the British production of copper was 2,733 tons, that of America 76,300 tons; in 1888, 1,456 and 103,246 tons; in 1898, 640 tons and 235,049 tons; in 1900, 765 tons and 270,588 tons respectively. In 1902 the British production had fallen to 482 tons. British copper mining is practically dead, and prices of foreign copper have occasionally been raised to great heights by the syndicate controlling the supply, but the British manufacturers, owing to our Free Trade policy, have always obtained their supplies at the lowest ruling rate. Our exports of unwrought copper chiefly from foreign ores were 375,309 cwt. in 1885 and 426,340 cwt. in 1902. In 1902 we imported 162,000 tons of copper ore, regulus and precipitate, and 93,500 tons of unwrought and part wrought copper. A duty would have increased the price, but no duty, however high, would enable our own mines to supply the enormous quantity of copper required.

Biscuits.

In the following chapter I have dealt at length with the subject of sugar. But two recent incidents may here be mentioned. France, as is well known, has recently imposed duties on corn and flour. In the course of the discussions on the measure, the manufacturers of biscuits and semolina complained that they would be injured by the tax on their raw material. French-made semolina and biscuits were therefore protected by a considerable duty. French consumers will have to eat dear biscuits, and French biscuit makers will be unable to export.

Biscuits.

Again, in the recent discussions on the Belgian sugar duties, the Belgian makers of jam, confectionery, and biscuits sought for a drawback of the taxes which the Government were imposing on sugar, but were refused. England admits flour and sugar free. Her manufacture of jams and preserves is becoming an important trade, and she is supplying the world with biscuits.

Our exports of biscuits and bread were valued at £500,000 in 1885, and £858,000 in 1902. The value of pickles, jams, confectionery, &c., exported in 1885 was £1,325,000, and in 1902 £1,517,000. This

Special illustrations.
Biscuits.

great increase in exports is due to the cheap bounty-fed sugar from foreign countries sold to English manufacturers at a much lower price than that charged in the home market. By the recently-concluded Sugar Convention our Legislature has promised to deprive home manufacturers of this great advantage in order to raise the price of refined sugar for the benefit of local sugar refiners and West Indian planters.

Wire.

Wire.

Again, there have been loud complaints amongst our wire makers of the successful competition of foreign wire, and it has been said to be due to the excessive charges of English railways on the article when used at home. Thinking there must be some other reason, I applied to one of the telegraph construction companies, and learned from them that they bought German wire because it was better and cheaper; but that German competition had stimulated our own manufactures; that English-made telegraph wire was much improved; and that they now give large orders to English makers. There is now a considerable export of telegraph wire. Telegraph construction is an important new branch of English manufacture; and if we had protected English-made wire by a Customs duty on foreign wire, we should probably have driven this manufacture to Germany.

As of steel rails, so of steel wire there was, a year or two ago, a great influx into our markets from America and Germany, but it has now diminished and become insignificant. Our exports of telegraph wire have considerably increased, being valued at £770,054 in 1885, at £3,148,000 in 1901, and at £2,839,000 in 1902.

Jute.

Jute.

In a country with such a preposterous fiscal system as Russia, it seems scarcely worth while to mention an article apparently so trifling as jute bags. They are made good and cheap in England, bad and dear in Russia. They are much used in the transport of grain, and anything which promotes or hinders transport of agricultural produce is of great importance to Russia's great and flagging industry. And yet the duty imposed by Russia on jute bags is so high that H.B.M. Consul Mitchell reports it as one of the

chief causes which enhance the price of Russian grain abroad, and prevent its successful competition with the grain of America, India, and Australia.*

Since 1885 the Russian duties on jute have been increased, and £1 8s. 2d. per cwt. is now charged on jute bags. The English imports of wheat from Russia in 1885 amounted to 11,976,000 cwts., and in 1895 they rose to 23,017,000. In 1901 they fell to 2,541,000 cwts., and in 1902 rose to 6,540,000. They bear a much less proportion to the grain we take from other countries than they did twenty years ago.

CHAPTER XLVIII.

SUGAR.

SUGAR claims a chapter to itself. From the time when the word, thrice uttered by the imperious voice of the first Pitt, cowed a tittering House of Commons into silence, it has occupied a prominent place in politics. It has been an important factor in the development of our Colonial Empire, in the struggles for the abolition of slavery, and in the controversies which have established and crowned Free Trade. Even at this moment it attracts much attention from financiers and economists. The accident of bounties on foreign sugar, themselves an undoubted outrage on economic laws, gives to the Protectionists an opportunity of masquerading as Free Traders in assailing bounties, and under this guise they seek, whilst advocating Retaliation, to betray an outpost of Free Trade where they dare not attack the citadel. We are told that our present free admission of beet sugar is ruining the future of our own market; that it is destroying cane sugar; that it is alienating our Colonies; committees of the House of Commons advise Retaliation; statesmen seek for inquiry; and agitators tell English workmen that they are deprived by foreign countries of 15 millions a year in work and wages. These suggestions and statements are for the most part not only

Importance of sugar politically and economically.

* Second Report of the Commission on Depression of Trade, Appendix, Part II., p. 292.

Sugar. not true ; they are the reverse of the truth. But it is worth while to examine the whole subject as carefully as my limits will allow, for the purpose of seeing, not only what modicum of truth there is in some of them, but what light the case throws on the economical laws we have been discussing.

Independently of the great political and social questions with which sugar has been connected, it possesses an economical and social importance of its own which it is difficult to exaggerate. The total production and consumption of the world is enormous ; though exact figures cannot be given. There are some countries in which the quantity is not precisely known, but is known to be very large. India, for instance, which exports little, has been estimated to produce and consume 2,000,000 tons or upwards. But omitting these countries, and taking those only whose production is accurately known, the present annual production of the world is estimated at more than 4,000,000 tons, which at £20 a ton would be worth £80,000,000. It also increases very largely. In 1855 the production of these same countries was less than 1,500,000 tons.* Further, the increase has taken place in cane sugar as well as in beet sugar. Thus the known total of cane sugar has increased from about 1,200,000 tons in 1853-56 to upwards of 2,000,000 tons in 1882, whilst that of beet sugar increased in the same time from 200,000 tons to 1,780,000 tons.

Raised in all countries and climates. This crop is raised in every quarter of the world, in every climate, and almost every country grows an increasing quantity. France, Germany, Austria, Hungary, Holland, Belgium, and Russia, Egypt, India, China, the Dutch and Spanish East Indies, Australia, Mauritius, the United States, the West Indies, and South America, all contribute to the enormous total. Between cane and beet there are few climates or soils which do not and cannot produce sugar. If ever there was an article of which the producing market is an open one, a market which cannot be closed or contracted by any ring or combination, it is sugar.

* See *Produce Markets Review*, 28th June, 1884, and Parl. Paper, No. 325, of 1884.

Of the supplies thus produced (again excluding India, China, and other countries of which the production is not known), England, though producing none herself, consumes the largest proportion. In 1883, after deducting nearly 100,000 tons of re-exported sugar, of which more than half was refined in this country, her whole share was 1,083,000 tons, or about 68 lbs. per head of the population. This at £30 a ton, which, after taking into account expenses of manufacture and distribution, is probably not too high a figure, represents an annual expenditure of £30,000,000, or about half the sum which the people of the United Kingdom pay for wheat,* when wheat is at or under 40s. a quarter. At the same time the price has much diminished. In 1841 the average consumption per head of the population was 16·99 lbs., at an average price per cwt. of 63s. 5½d., the wholesale value of the 16·99 lbs. per head being therefore 9s. 7½d.† In 1883 the estimated consumption per head was 68·1 lbs., at an average cost per head of 12s. 10d., or nearly four times the quantity to each person at only one-third more cost. In 1884 the quantities were about the same, but the price was about one-fifth less, making the cost per head in 1884 about 10s., against 9s. 7½d. for one-fourth of the quantity consumed in 1841.

Sugar.
England's
share as
compared
with other
countries.

The quantity of sugar consumed in the United Kingdom in 1900 was 1·6 million tons, or 87·18 lbs. per head of the population. The price averaged 11s. 7d. per cwt. wholesale; therefore more than five times as much was consumed by each person as in 1841, and at only five-sevenths of the cost. It would not be fair to credit the whole of the reduction in price to the removal of the duty, since new sources and improved methods of production have been largely responsible for it. Nevertheless, the effect of re-imposing the duty in 1901 is hereafter shown to deprive the consumer of sugar of a further fall in its price in the open market.

It is worth while to observe in passing, that this result has been attained in a period in the course of which slavery has been abolished. This enormous increase in production and reduction of price is a consequent on the employment

* Pa. 1. Paper 325, 1884, p. 9.

† Porter's "Progress of the Nation."

Sugar.
Share of
the United
States,
France,
and
Germany.

of labour which is free, and which, measured by the rate of wages, is comparatively costly.

Other countries have, of course, benefited, but far less than England. The United States is the next largest consumer. Her total consumption in 1883 was, 1,076,000 tons, or 44½ lbs. per head of the population, and the price her people pay for it is estimated at 80 per cent. of the price they pay for their wheat, out of which price more than one-fourth is paid in the form of a Protective duty, thus raising the price of sugar to the consumer by more than a third over that paid in England. During recent years, an Englishman has been paying about 2d., or 4 cents, for a pound of good sugar, whilst, as we are told, a citizen of the United States has been paying 7 cents, or 3½d. France is estimated to consume 28 lbs. per head, and Germany 15 lbs. per head of her population,* both of these being countries which produce good beet sugar at the cheapest possible rates, but which, by their fiscal systems, prevent their own people from using it freely. What the exact prices to the retail purchaser in each country may be it is very difficult to tell, for there are sugars and sugars, and prices as well as qualities vary infinitely, according to circumstances. But it is quite certain that in each country the price to the consumer is raised by the whole amount of the duty, and probably by more. An investigation into the quality and price of the sugar retailed in Germany appears to show that where the English people pay 2d., 2½d., and 3d. a lb. for good sugar, the Germans pay nearly twice those sums for sugars of an inferior quality. The German housekeeper who wishes to sweeten her tea or to cook the sweet dishes in which Germans excel, has to pay at least twice as much for an inferior article as her English sister.† Germany is the country which shows the greatest skill in the production of sugar, which has advanced its manufacture to the highest point, adds comforts and luxuries to the life of the English workman, but does not allow its own poor and industrious people to enjoy the fruits of their own industry. "Sic vos non vobis mellificatis apes!" How this comes to pass we shall see presently.

* *Bradstreet's*, 28th March, 1885. Parl. Paper 325, 1884, p. 41.

† *Produce Markets Review*, p. 376, 28th June, 1884.

In 1900, before the duty was imposed, the retail price of sugar was in the United States 3'0 pence per lb. ; in Germany, 3'2 pence per lb. ; in England, 1'5 pence. Sugar.

In 1902 the United States duty on sugar was equal to about 73'68 per cent. *ad valorem*. The president of the Sugar Trust told the Industrial Commission in 1899, when the duty was only equal to 54'03 per cent. *ad valorem*, that the United States Tariff Bill extracted 24 million dols. from the pockets of the American people in higher prices to the United States growers over and above the duty received by the Treasury on sugar imported.

Considering that sugar has become an article of food, or of luxury, if you will, in which the poor share, not unequally, with the rich ; which makes other food palatable and wholesome ; and which women and children enjoy no less than men, the advantage of such a result as I have described to the toiling millions of the United Kingdom is no small matter. But this result is not all. The enormously increased supply of sugar has brought to them also increased employment and wages. It is food.

The actual trade in the increase of quantity consumed has itself added large and profitable employment to our ships, to our railways, to our merchants and their clerks, to our refiners, and to our shopkeepers. The amount thus expended on English labour in 1883 on the increased quantity of sugar used in that year, over and above the amount expended on similar labour in 1863, has been estimated by the authority mentioned below at £5,500,000.* It gives employment.

Nor is this all. The whole of the sugar imported does not go into direct consumption, but becomes the raw material of various manufactures. There is, of course, the refining, an increasing trade, of which I shall say more below. But besides refining, there are a number of subsidiary manufactures depending on sugar, which are largely on the increase, and which are more important than refining. Of these the largest is probably the manufacture of jams and confectionery, which is dependent on a cheap supply of refined sugar, and for which certain descriptions of *foreign refined* sugar are specially suitable. We know that in London about 45,000 tons are used in the jam and confectionery business, employing from 5,000 to 6,000 persons ; It is also raw material

* For details see *Produce Markets Review*, 15th March, 1884.

Sugar.

and the returns of this manufacture in Scotland show not much less. More than 100,000 tons are employed in the United Kingdom in this business alone, and more than 12,000 hands, which is more than twice the number of hands employed in sugar refining. This, it is to be remembered, is a manufacture which supplies a cheap and wholesome luxury to the poor, and which calls into existence other industries, such as fruit-growing, which are themselves of great importance to the country. Other industries, such as the making of biscuits, with which we supply the world, and of mineral waters, brewing, and cattle-feeding, also depend largely on sugar. Cheap and good sugar is a very important raw material.*

These results obtained by free importation.

The importance to the nation of our cheap and plentiful supply of sugar it is therefore difficult to exaggerate. How have we managed to obtain it? The answer is very simple—viz. by opening our ports and receiving freely what our neighbours have offered us. But as our Protectionist friends wish us to reverse this policy, it is worth while to consider the point a little more carefully.

As before mentioned, the policy has been revoked by the United Kingdom becoming a signatory to the Sugar Convention.

Taxation on Sugar.

Sugar, considered as an article of general consumption, and also, though the word is misleading, as an article of luxury, has been a favourite object of taxation; the more so, perhaps, because originally it was an article produced in foreign and distant countries. But even then much of it was refined in Europe, and this raised a difficulty. It has always been the practice where any article has paid duty, and has undergone a process of manufacture, to give back the duty on its being re-exported, under the name of "drawback." When the article exported can be recognised as the same article which has paid duty, this is a simple thing to do. But when the article has undergone a change since it paid duty, a calculation is necessary in order that the amount actually paid, no more and no less, may be restored as drawback. Thus an import duty was paid on raw sugar; it was refined in the country of import;

Drawback on Exportation.

* See *Produce Markets Review*, 26th July, 1884. Parl. Paper 325, 1884, p. 12, and Appendix thereto.

Sugar
Difficulties
of Euro-
pean
Govern-
ments.

and some of the refined sugar was re-exported. It became then a problem for the Governments of Europe to discover what was the relation of a given quantity of refined sugar to the raw sugar from which it was made, so as to determine what was the amount of duty to be repaid. This proved to be a very difficult problem, and the difficulty was much increased when European nations began to make sugar from beet, and when the problem was to determine not only the relation of raw sugar to refined sugar, but the relation of sugar, raw or refined, to the original material of which it was made. The Governments were in a dilemma. If they gave as drawback on the manufactured article less than had been paid on the raw material, they were burdening their manufacturers with a tax which discouraged exportation. If they gave more, they were giving a bounty on exportation, and were thus artificially raising the price to their own citizens, and lowering it to foreigners, by means of money drawn from the pockets of their own taxpayers. Beset by these embarrassments, the Governments of Europe, our own among the rest, floundered on for years. By conference after conference, by measure after measure, they endeavoured to hit the right mean; and, generally speaking, the special trade, as is usual in such cases, got the better of the public, and secured to itself some bounty in the way of drawback. This was the state of things in 1863, and in this country a graduated scale of duties and drawbacks was established and sanctioned by International Convention in 1864. At last, after the duties had been twice halved by successive Governments, they were wholly abolished in 1874.

Reduction
and final
repeal in
England of
sugar du-
ties.

They were re-established in April, 1901, at the rate of 4s. 2d. per cwt. for refined sugar, and from 2s. to 4s. 2d. per cwt. for unrefined, according to the degree of polarisation.

The results are as follow :—The consumption of the country was 473,000 tons in 1863; it was 1,083,000 tons in 1883. The exports had doubled also. The average cost of sugar to the grocers was 41s. per cwt. in 1863; it was 23s. 3d. in 1883. This reduction consisted of the duty, which was 12s. 6d., and in addition of 5s. 1½d., or more than ½d. a lb. saved by increased demand and improved supply.*

* From the *Produce Markets Review*, 15th March, 1884.

Sugar.
Results.

According to the official statistics, we paid for sugar imported, including duty, 18½ millions in 1863, whilst in 1883 we paid about 25 millions, and in 1884 we paid about 20 millions for twice the quantity. Sir Stafford Northcote removed a very troublesome tax, which brought into the revenue less than 6½ millions in 1863, and only about 3½ millions in 1873, and in so doing he has saved the country from 12 to 17 millions in the price of sugar, as imported, and much more on sugar as retailed; and he has vastly increased and improved the food of the people, besides encouraging many native industries.

In 1900, when sugar was free, the amount consumed was 32 million cwt., valued at £18·6 millions, or 11s. 7d. per cwt., the retail price averaging 1·5d. per lb.; the consumption 87·18 lbs. per head of population. In 1902 the consumption was 31·5 million cwt., valued, free of duty, at £14·3 millions, or 9s. 1d. per cwt., and the retail price averaged 1·5d. per lb.; the consumption 83·95 lbs. per head. The difference in the import price being 2s. 6d. per cwt., or over ¼d. per lb., had it not been for the duty, sugar in the latter year would have cost less to the consumer, whereas the retail price for both years was the same. The duty brought in £2,121,000 to the Government, and at the same time raised the price of sugar to the public by 2s. 6d. per cwt., or over £3,931,000 in the total consumption, thus placing a burden on the people greater by £1·8 million than the value received by the Treasury.

From this it is clear that duties increase prices even when a fall in the open market, causing the retail price to remain as it was, has a tendency to conceal the fact. Had not the consumption per head of sugar fallen off, the disparity between the gain to the Revenue and the loss to the public occasioned by the sugar duties would have been even more glaring.

Not only has the price been thus enormously reduced, but the quality has been enormously improved. Good white sugar may now be found in every cottage.*

Other nations have not been wise or rich enough to follow the same course; they all levy a considerable duty on sugar; most of them make these duties differential in favour of their own manufacturers or colonists; and many of them have so arranged their drawbacks as to give their own manufacturers or refiners a bounty on exported sugar.

* See *Produce Markets Review*, 6th of March, 1886.

To give the history of these duties, "surtaxes," and bounties, or drawbacks, in detail, would be impossible, and they may be found in the various Parliamentary Papers.* But the following few facts are worth notice.

Germany imposes a tax of 12 marks per centner (about a cwt.) on raw sugar imported.† She also imposes a tax on the beet used in manufactures, estimated to be equal to 10 marks per centner on the manufactured raw sugar; and a drawback, formerly of 9.40 marks, but now of 9 marks, is repaid on each centner of exported raw sugar. But by improvements in the growth of beet, and in the process of manufacture, much more sugar is produced from the given quantity of beet than the quantity it was estimated to produce, and the manufacturer, consequently, on exporting sugar, receives upon the excess a drawback or bounty which he has never paid as duty on the beet. What the amount of this bounty may be it is impossible to say with accuracy, for it varies with the skill and success of the grower and manufacturer. The average bounty has been variously estimated—from one shilling, or less, per cwt., to two or three times that amount; but the recent German Committee estimated the maximum at 1.40 marks per centner, or about 1s. 5d. per cwt. Under this system the German production has increased five-fold since 1871, and was, in 1883, 835,164,600 kilos. Of this, three-fifths were exported and two-fifths only consumed in the country. Of the total exports, amounting to 472,551,400 kilos., between three-fifths and four-fifths were exported to Great Britain. In 1885 our imports from Germany were 7,332,000 cwts. of raw, and 974,000 cwts. of refined sugar, or about a million cwts. more than in 1883, whilst the value was less by more than £1,600,000—a transaction which must have been very far from profitable to Germany, whatever it may have been to us. In the present year the import of raw sugar from Germany is decreasing largely, and that of refined sugar increasing. The Government have, in paying this bounty, lost what is estimated to amount to

Sugar.

German
Tax and
Drawback.

* See especially Nos. 317 and 422 of 1881, 325 of 1884, and 39 of 1885, and c. 4715, i., of 1886, p. 199.

† Parl. Paper 39, December, 1884, p. 37. Report, by Mr. Scott, H.M. Secretary of Legation at Berlin, on German Bounties.

Sugar.
German
Tax and
Drawback.

upwards of a million sterling of revenue which they would have received if the drawback had been equivalent, and not more than equivalent, to the duty. The German Government, alive to the loss, appointed a Committee of experts to inquire into the subject, who found that the drawback was too large, and recommended a reduction ; and a Bill was introduced for this purpose, but has not been pressed, owing to the prevalent distress among German beet-growers and sugar manufacturers. The effect of this system is very curious. That the Germans, as taxpayers, lose, is clear ; the Germans, as sugar consumers, do not gain, for the wholesale German price is regulated by the English market, and is exactly what the Englishman pays, with the whole drawback added. Where the English wholesale purchaser pays 12 marks per cwt. the German pays 21, an addition which is probably doubled before the sugar reaches the actual consumer ; and we have already seen how comparatively dear and poor is his supply. But mark the further result : the German beet-grower and sugar manufacturer, who probably gained much at first, is now at least as much distressed as our own refiners. Mr. Scott tells us that present prices admit of no profit ; and that many manufacturers are working at a loss in hopes of a rise. The critical position of many of the German factories is notorious ; but the best evidence of the distress is that the frugal German Government, though really anxious to abolish bounties, dare not at this moment proceed with the measure which their experts have recommended. In fact, there has been a glut in the sugar trade, much aggravated by the foolish system of bounties, and whilst English consumers have benefited by the low price, none have, in the end, suffered more than the class of agriculturists and manufacturers whom it seemed *prima facie* to benefit.

It should be added that the German exports of refined sugar did not until lately increase in the same proportion as those of raw sugar. In 1882 they were 17·6 per cent. of the total exports of sugar, in 1883 only 14·8 per cent., and in 1884 they were 17·9 per cent. Her refiners, Mr. Scott's report tells us, cannot compete successfully with our own.*

* Parl. Paper 39 of 1885, pp. 43. 44.

In the last year the import of refined sugar has increased. Sugar.

In later years the increase continued. The bounties enabled German exporters to sell refined sugar much cheaper to us than in their own market, refined sugar in 1884 constituting 17·9 per cent. of the whole amount exported from Germany, and 44 per cent. in 1900. Of our sugar imports from Germany in 1886, raw sugar constituted 43 per cent. and refined sugar 57 per cent. ; and in 1902 32·7 per cent. and 67·3 per cent. respectively. Of our total imports of sugar in 1886 71·7 per cent. was raw, and in 1902 41·8 per cent. The amount of raw sugar imported in 1886 was 16 million cwt., and in 1902 13 million cwt. ; the imports of refined sugar for the same years were 6 million cwt. and 18 million cwt. Thus, though the foreign sugar bounties have helped to deprive our sugar refiners of 3 million cwt. of raw material to work upon, they have helped to give 12 million cwt. of refined sugar as food for our people or raw material for our manufacturers of jams, biscuits, and confectionery—an exchange which, on the whole, has greatly benefited the majority.

Proposals have been laid before the German Legislature for altering this system, and a Committee of the Reichstag has accepted a proposal by which the bounty would be reduced by rather more than one-half. In the course of the discussion on these proposals, Deputy Gehlert (who is said to be a strong Protectionist) made the following statements, which may be quoted as a remarkable criticism on the system of bounties :—

Proposals
for altera-
tions.

“ The sugar industry is quite forty years old. Until about 1875 it slowly but surely developed through its own natural strength, and was till then one of the most valuable elements of our national production. Since that time it has been subsidised by the State at a cost of £7,500,000, and has, solely in consequence of this stimulus, attained its present dimensions. If size and soundness be equivalent things, then the condition of the sugar industry has become extraordinarily sound in the past ten years. Some £20,000,000 to £25,000,000 have been sunk in building factories, which employ 50,000 workmen. But, gentlemen, in the year of the sugar crisis the State subsidy amounted to fully £2,000,000. Reckoned in one way, this subsidy was equivalent to a dividend of 8 to 10 per cent. on the capital invested in building the factories ; reckoned in

Deputy
Gehlert's
speech.

Sugar.

another way, the State paid the whole of the wages of these 50,000 workmen, who would surely not receive more than £2,000,000 in wages. Gentlemen, would not any industry, textile or other, under similar conditions have expanded to a similar extent? And yet there followed the great sugar bankruptcies, and heavy losses on unrealisable property both to the State Treasury and to private individuals; there were thousands of workmen thrown on the streets—as to whose fate the speculative element in the industry pays little heed; there were accumulated stocks and miserably low prices; in short, there was the crisis which still lasts, and which has assumed a yet broader basis. When people say, ‘Oh, but we have exported such-and-such a quantity,’ is that the question in point? The real question is whether this export has been done at a profit or at a loss, and if at the latter, since when has it been held that the heaviness of the weight sold is a desirable element in loss? Would to God that not a pound of sugar had been exported from Germany if the result has been a loss! People say again, ‘But £20,000,000 to £25,000,000 have been invested in sugar factories.’ Good heavens! what are these £20,000,000 to £25,000,000 worth to-day? What would the shares in these factories fetch on ‘Change? Or the increased value of the sugar estates is adduced; but how does their actual value compare with their values on paper to-day when the subsidy is still being given? If these last fictitious assets were taken at their real value, and if the patient State Treasury were to be quite closed, what would remain of the ‘brilliantly developed sugar industry,’ of the ‘industry which on the whole appears in a highly satisfactory state,’ etc., etc.? No, I cannot discern the smallest gain to our country, nor any reason to maintain the present state of things. The profits of this system have only been reaped by England. It is German capital that has enabled England to give sugar to her cattle; it is German capital that has so developed the English manufacture of sweets that it successfully competes with the German manufacture in the markets of the world, and in Germany itself. With the sugar exported to England, a part of the German consumption was exported. We pay one and a half to two millions sterling to enable England

to consume what would properly be worked up by our German industry. Gentlemen, I fear that this system has made us the laughing stock of our English cousins.” Sugar.

Austro-Hungary levies her duties on an estimate of the quantity of sugar contained in the vessels used in manufacture. A few years since, this estimate was so much too large as to give a large bounty on exportation, and Austria led the way in the race of ruin. She has since revised her estimate, and has fallen far behind Germany in exports. But not the less have her manufactures felt the recent glut and the reaction from the unnatural stimulus; and bankruptcies and failures among Austrian sugar-makers were notorious during 1884-85. Austro-Hungary.

France revised her system some years since, with the view of putting an end to bounties, and, though her production has increased rapidly, her exports have diminished. Frightened by the progress of Germany, and by the distress of her beet-growers and sugar-makers, France revised her sugar taxation in 1884. She raised her duty on home-grown sugar; she increased the differential duties on foreign sugars; she adopted the system of taxing beet as the raw material; and purposely gave a heavy drawback on export, which has been estimated at twice the amount of the German bounty.* It is too early to say what the actual result is, but it may be confidently predicted that her measures will, if they have the effect contemplated, throw an additional burden on her exhausted exchequer, and raise the price of sugar to her own consumers and manufacturers. At present it seems that our imports from France are not on the increase. She is beaten in our markets by Germany and America.† France.

In 1886 we imported from France 103,000 tons and in 1902 199,000 tons.

Belgium, which has largely increased her exportation in late years, has been also perplexed by the distress of her Belgium.

* *Produce Markets Review*, 20th Feb., 1886.

† According to the latest returns it would seem that the heavy rate of drawback is beginning to make itself felt, a large increase having taken place in our imports from France. It has been estimated (see *Produce Markets Review* for 6th and 13th November, 1886) that the average bounty is about 8s. per cwt., and that it will involve a loss to the French Treasury of from £3,000,000 to £4,000,000 a year.

Sugar. sugar interest, and, after an inquiry into her mode of taxation, has proposed a new law. She disapproves of bounties, and will not extend them ; nor will she substitute for her present system of taxing the juice expressed from beet, the German plan of taxing the root itself. But she is imposing an increased differential duty on foreign sugar. It deserves notice that the Belgian makers of jams, confectionery, and biscuits, whose English rivals have, as we have seen, profited so largely by the cheap sugar of England, have petitioned their Government, but in vain, for a drawback on exportation of the taxed sugar they use in their manufacture.

Holland. Holland, which taxes her sugar by a process of saccharimetry, or chemical measurement of the quantity of sugar contained in the juice, has recently revised her method. She is said to give a considerable bounty, and has largely increased her exports.

Russia. Russia has also joined in the fatal race of bounties, and has, perhaps, committed a more glaring folly than any other country.* In 1884-85 her production exceeded her consumption, and the Russian sugar producers succeeded in getting from their impoverished public exchequer a direct and express bounty on all sugar exported within a given time, which has now expired. The result was an importation into this country which amounted to 200,000 cwts. per month in the course of last winter. What wonder that, with a Government capable of such interference with trade, the sugar producers should actually have asked for a law to limit sugar production in future years ? It is right to add that the Russian Government look on their policy as temporary, and treat the bounty as a loan to be repaid by the sugar interest at some future time.

United States. Nor are European countries alone in giving artificial Protection to sugar. The case of the United States may be specially mentioned. They use more sugar than any other nation except ourselves. Their sugar bill is about equal to their wheat bill. But in order to protect a domestic industry which does not produce a fraction of the amount consumed in the country, and which languishes in spite of Protection, they impose a duty on foreign sugars of 60 per cent., whilst as regards refined sugars their system

* C. 4715, i., of 1886, p. 289.

—like those of European countries—is said to give a drawback on exportation. The consequence is that their consumers contribute about £14,500,000 a year in order to maintain a languishing industry, and each American pays for each pound of sugar twice as much as the Englishman pays.* At the same time, if it is true that they give a drawback, they bribe their refiners to export. At any rate, it appears to be a fact that the imports of refined sugar from the United States have grown from 125,596 cwts. in 1883 to nearly 2,300,000 cwts. in 1885; and this appears to have been done with little, if any, profit to the parties concerned.

Sugar.

In 1900, the last year of free sugar in England, the price was still half that ruling in America, the retail price being 1·5d. in London and 3d. in Pennsylvania. In 1902, when we had made sugar dutiable, the difference in price was still great, but not so marked—in London 1·5d., in Pennsylvania 2·8d. In that year we imported 112 cwts. of refined sugar from the United States.

An inquiry has been directed by the United States Government into the question of drawback, but nothing has yet resulted from it.†

Brazil guarantees a high rate of interest on the capital employed in sugar-making, with the result that at present prices ruin is impending over her sugar factories.‡

Brazil.

The Legislature of one of our most flourishing Colonies—New Zealand—has recently passed an Act granting a professed bounty of one halfpenny per pound on the first thousand tons of beet-root or sorghum sugar produced in the Colony, besides providing that no Excise duty on sugar shall be levied so long as the existing import duty of one halfpenny per pound continues in force; and that if that duty be at any time increased, the Excise duty leviable shall always be one halfpenny per pound less. Further, should the import duty be reduced, a sum per pound produced equal to the amount of the reduction is to be paid

New Zealand.

* *Bradstreet's*, 16th Jan., 1886. C. 4715, i., of 1886, p. 384.

† Since the above was written the rate of drawback has been provisionally reduced by about 1s. per cwt. pending further inquiry, and it is expected that the exports of refined sugar from the United States will shortly show a considerable decrease in consequence of this measure.

‡ *Parl. Paper* 39, of 1884, p. 29.

Sugar. to home producers who may be tempted, by this Act, to embark in the industry.

Beetroot sugar is not now produced in New Zealand, and the bounties have been abolished.

General
action of
Foreign
Govern-
ments.

For further details upon the action of Foreign Governments in the matter of sugar, I must refer to the Parliamentary Papers, 325 (1884) and 39 (1885). One or two points are clear from what I have stated. Foreign Governments are all floundering in the difficulties from which we, by abandoning all taxation of sugar, have happily emerged. Most of them have imposed intentionally Protective duties on foreign sugars; many give bounties on export; which, however, except in the case of France and Russia, are unintentional. All of them raise the price of sugar to their own consumers; and those which give bounties cheapen it to foreigners. Above all, in all these countries, however much manufacture and export may have increased, there is great distress among the protected classes. Protection and bounties have produced their usual results—viz. an unnatural stimulus, and large immediate profits, followed by a glut, collapse, and ruin.

Imports of
sugar from,
and exports
of manu-
factures to,
Germany,
Holland,
and
Belgium.

One other point deserves notice. If there are any European countries of whose bounty-fed competition our sugar refiners and West Indian interests have complained, they are Germany, Holland, and Belgium. It is these countries, if any, which have displaced the labour of the English workman. We have already seen, in the account above given of the trades set in action by our increased sugar supply, how absurd this assertion is. But there is another answer, and, if not a mere coincidence, it is a curious illustration of the Free Trade maxim, "Take care of the imports, and the exports will take care of themselves." Our imports of sugar from Germany, Holland, and Belgium have been as follows:—

| | | Value. | | | Value. |
|------|-----|------------|------|-----|------------|
| 1880 | ... | £7,264,000 | 1883 | ... | 10,412,000 |
| 1881 | ... | 8,369,000 | 1884 | ... | 7,829,000 |
| 1882 | ... | 7,295,000 | 1885 | ... | 7,378,000 |

Showing an increase of about three millions in 1883, the year in which the value of sugar imported from these countries was at its highest point, over 1880. Our total

exports of British and Irish produce to these countries Sugar. have been as follows :—

| | | Value. | | | Value. |
|------|-----|-------------|------|-----|-------------|
| 1880 | ... | £31,986,000 | 1883 | ... | £36,622,000 |
| 1881 | ... | 33,406,000 | 1884 | ... | 37,468,000 |
| 1882 | ... | 35,978,000 | 1885 | ... | 33,100,000 |

Showing an increase of about four millions and a half, comparing 1883 with 1880 as before. Thus the increased import of sugar in 1883 had been more than balanced by a proportionate export of our own manufactures, which must have given employment to an increased number of our own workmen employed on those manufactures.

In 1902 our imports of sugar from these countries had increased since 1885 to £11,139,000, and our exports to them of British and Irish produce had increased to 39·7 millions. Sugar formed between one-eighth and one-ninth of our total imports from these countries, and the increase in the imports between 1885 and 1902 was £31·9 millions, of which 11·8 per cent. was accounted for by the increase in sugar.

So far as we have gone, there is certainly nothing in the present state of the sugar trade which should make us desire to imitate the systems of other nations. We are nevertheless asked to do so by two very importunate interests—viz., the sugar refiners of this country and the English owners of West India sugar estates. Their cases are inconsistent, for it is the interest of the refiners to have cheap raw sugar, and it is the interest of the West India planters that raw sugar should be dear. But they unite in urging Retaliation against foreign sugar bounties. Let us see first what their wrongs are, and then what are their proposed remedies.

Importunities of sugar refiners and West Indian planters.

First, as to the refiners. It is alleged that the foreign bounties are destroying this important trade ; and agitators circulate the preposterous assertion that the British workman is thus deprived of 15 millions annually in wages. Now what are the facts ? It was shown in 1881* that since 1864 the refining trade of this country had lost about 50,000 tons of loaf sugar ; but had gained 30,000 tons of other sorts of hard sugar, and 300,000 tons of moist sugar.†

Refiners' case.

* Parl. Papers 317 and 422, of 1884.

† Parl. Paper 325, of 1884.

Sugar.

The quantity of sugar refined at home increased between 1880 and 1883 from 653,000 tons to 816,000 tons ; and the number of men employed in it also increased considerably. The importation of foreign refined sugar did not increase between 1877 and 1883, being 171,000 tons in 1877, 152,000 tons in 1880, and 164,000 tons in 1883 ; in 1884 it was 213,000 tons, and in 1885, 261,000 tons. The exports of refined sugar from the United Kingdom have increased, being 56,000 tons in 1877, 48,000 tons in 1880, 58,000 tons in 1883, and 65,000 tons in 1884. These are not figures of a declining trade. Since 1884, however, there is reason to believe that our refiners have been hard hit by the continuance of the German bounties, the new Russian bounties, and the import of refined sugar from America, encouraged by low Atlantic freights and probably also by a system of bounties.

The net imports of refined sugar have increased to 256,000 tons in 1885, and are 172,000 tons for the first seven months of 1886 ; whilst the exports of refined sugar were 49,700 tons in 1885, and are 22,400 tons for the first seven months of 1886.

The sugar refining industry, as shown on page 325, has suffered a further decline since 1886, and, as also shown, there has been more than compensating increased employment for capital and labour in the industries which benefit by a supply of cheap refined sugar.

It is impossible under such circumstances to withhold sympathy from our sugar refiners. They are fostered by no Protective duty ; they are stimulated by no bounty. They are the innocent victims of a glut, caused to a great extent by the foolish policy of other countries. It is a small consolation to them to reflect that the petted producers of those countries are suffering from this policy as much as themselves. But, after all, sugar-refining in this country is at the best a comparatively small trade, and the capital employed in it does not probably attain £3,000,000. It is, whether as regards capital or workmen employed, a trade of far less importance than the subsidiary trades mentioned above which cheap refined sugar has called into existence, and for some of which foreign refined

sugar has special advantages. Looking to the interest of the workman considered as a producer only, and putting aside his still more important interest as a consumer of sugar, it would be simple madness to exclude foreign refined sugar in the supposed interest of British refiners.

Sugar

The case of the West India sugar planters is one deserving of even more sympathy. They have no doubt been deprived, by the competition of beet-sugar, of the proportion of the market of the United Kingdom which without such competition they might have expected to enjoy, and some part of this competition is no doubt due to foreign bounties. But their statements are grossly exaggerated. It is alleged, for instance, that the increase of beet sugar is entirely due to the bounty system. This is contrary to the evidence which has been taken abroad, and which shows that the growth of beet is largely due to agricultural improvement in France and Germany, as well as to energy and skill in manufacture, and that it is intimately connected with improvements in the growth and feeding of cattle. It is, moreover, inconsistent with existing facts, as shown by the official statistics. Only a part of the beet sugar produced is bounty-fed. In some countries—*e.g.* in France—there has in late years been no bounty, and yet the production increases rapidly. It is only on the sugar exported that a bounty can possibly be paid, and this is only 700,000 tons out of a total of beet sugar production of about 2,000,000 tons.

Case of
West
Indian
planters.Causes of
growth of
beet sugar.

Another allegation is that bounty-fed sugar will, when it has driven all other sugar out of the market, become a virtual monopoly, that it will then rise in price, and that consumers will accordingly then suffer all the inconveniences of a restricted market. The allegation scarcely needs refutation. Much of the supply of beet sugar, as shown above, is not bounty fed; and cane sugar, as shown below, is not being driven out of the market. Moreover, with such diversified area of production as I have shown to exist, there is probably no article in the world, not even wheat, in which it would be equally impossible to create any kind of monopoly or to raise prices unduly.

Restriction
of the
market
impossible.

Another allegation is that cane sugar is being supplanted by beet—an allegation utterly untrue. British

Sugar.
Is cane
being sup-
planted by
beet?

cane sugar has increased from 261,000 tons per annum in 1853-5, to 419,000 tons in 1880-2, and in the same time foreign cane sugar has increased from 972,000 to 1,500,000 tons, though beet sugar has increased in a much larger proportion. British cane sugar has ever since 1868 maintained its proportion of the total supply of sugar—viz. 12 per cent. Comparing 1877-9 with 1880-2, the increase of West India sugar has been from 210,000 to 230,000 tons annually. The proportion of cane sugar imported into the United Kingdom has largely declined, and the actual amount of British cane sugar so imported has somewhat decreased; but the increased supply of that sugar has been diverted to North American and Australian markets.

Nor is there any reason to despair of the future of cane sugar. Skill and industry have done their utmost in growth and manufacture of beet, whilst much remains to be done to extract completely the much larger quantity of sugar contained in the cane. This, at least, is the opinion of many experienced persons, and among them of Mr. Baden Powell, and of Mr. Newton, President of the Chamber of Agriculture in the Mauritius, a colony second only to the West Indies in the production of cane sugar. In a remarkable paper, which has been laid before Parliament, he exhorts his countrymen, who, in common with other sugar producers, are suffering from present low prices, to abandon all hope of Protective remedies, and to trust cheerfully to improved production.*

The case and prospects of the West India planters are therefore not so bad as has been stated; not worse, probably, at the present moment, than those of protected sugar producers in foreign countries. There has been a general glut, and they, in common with others, have suffered. If they can retain their share of the North American market, and if, above all, as much skill and energy can be put into their manufacture as is put into the manufacture of beet sugar by France and Germany, there is no reason why they should not have a prosperous future.

But the case of the West Indian planters is open to one or two further observations.

It would be a mistake—at any rate as regards Jamaica

* Parl. Paper, c. 4455, of 1885.

—to treat the sugar interest as identical with that of the whole people. The interest is rather that of English capital. The black population have other employments and other interests.

Planters' interest and Colonial interests not identical.

In the second place, the West India sugar interest is a small interest compared with that of the consuming classes in England. The annual value of the whole of the sugar produced in the West Indies is probably under £5,000,000, as compared with £25,000,000, which was the declared value of the sugar imported into the United Kingdom in 1883. According to the representations of the West India sugar interest (which are no doubt exaggerations), the reduction in price of the sugar consumed in the United Kingdom due to foreign bounties is over £5,000,000. So that for the purpose of a small increase in their revenue, they ask us to sacrifice a sum which is more than equal to the whole of their production.

West India sugar a comparatively small interest.

In 1891 the West Indies exported 266,000 tons of sugar, and in 1901 253,000 tons. For the same years the sugar imports of the United Kingdom were 1,376,000 tons and 1,732,000 tons respectively. It must be remembered that between these years the methods of beet sugar production had so improved as greatly to reduce the price, independently of artificial reduction in England by means of foreign bounties. In considering the West India Islands it must also be remembered that only a small proportion of the population are planters interested in high prices, and that the great majority are benefited by a reduction in the cost of one of their chief articles of food.

Under these circumstances, whilst admitting that the West India sugar interests are suffering from the fiscal systems of other countries, though to a much less extent than has been supposed, they have no case for any remedy which would injuriously affect the much larger interests of consumers in the United Kingdom.

They have no case for change of our fiscal system.

It remains to consider very shortly the remedies suggested by the refiners and the West India interests. These consist in Retaliation by means of duties to be imposed on bounty-fed sugars. It might be sufficient to refer to what has been said above as to Retaliatory duties in general. All the arguments against Retaliation in the case of Pro-

Remedies suggested by them. Retaliation on bounties.

Sugar. protective duties apply to Retaliation against bounties. Protective duties are even more injurious to the interests of this country than bounties, since they operate no less than bounties to the disadvantage of our producers; whilst, unlike bounties, they confer no benefit on our consumers. Both alike limit our means of selling; but foreign bounties give us the means of buying cheap, which foreign duties do not.

This is subject to the proviso that where foreign Protective duties are very high, they do occasionally enable us to buy cheap, as they enable Protected manufacturers to screw such exorbitant prices out of their home population that they frequently "dump" their surplus goods at cost price in the English market.

It is said, indeed, that, economically speaking, bounties are worse, even for the consumer, than Protective duties, because bounties may have the effect of destroying the natural source of production, and thus leave the consumer in the end to the mercy of the bounty-fed monopolist. But this seems to me a very far-fetched argument. It is very difficult to imagine a case in which an industry which requires the stimulus of a bounty to set it on its legs, should become so strong as to monopolise the world, to be able to dispense with the bounty, and still to prevent the natural industry from reviving. I am not aware of any such case. At any rate, it is not the case with sugar.

But there are some special considerations affecting Retaliation against bounties, and against these bounties in particular.

What are
bounties?

If we begin by retaliating against bounties, we must ask what is meant by the term. Canada and all new countries make grants of land to emigrants. Is this a bounty on corn-growing? The Indian Government subsidise railways. Is this, as some of our agriculturists are now alleging, a bounty on Indian wheat? Brazil guarantees interest on capital invested in sugar factories, and New Zealand gives them special encouragement. Are all these bounties, and are they to be assailed by Retaliatory duties? If so, what are the Retaliatory duties to be, and where are they to stop?

In the next place, what is the exact amount of the duty

to be ? It is intended to neutralise the bounty, neither more nor less. If it does more, it is plain Protection ; if less, it does not answer its purpose. But no one has the least conception what the bounty in any case is. It differs in every country ; on every parcel of sugar. No two opinions agree about it in any one case. To determine the amount of such a duty baffles all the experts. It is an impossible task.

Sugar.
What are the Retaliatory duties to be ?

Again : any such countervailing duty would be contrary to the most important clause in our commercial treaties—viz. that by which we give and receive “ most favoured nation treatment.”

“ Most favoured nation ” clause.

Again : it is very improbable that Retaliatory duties would produce the desired effect on foreign Governments. Most of them, for financial reasons, now dislike bounties, and know that they are taxing their subjects to give us cheap sugar. If we retaliate, it will show that we think the bounties beneficial to the country which proposes them, and injurious to ourselves, and this will lend strength to the interests which desire to retain them.

Bad effect of Retaliation abroad.

Lastly, the effect of any countervailing duty would be to raise the price of a necessary article to all the people of the United Kingdom, and it would raise it by much more than the amount of the duty. Assuming the duty to be 2s. 6d. per cwt., which is apparently not much more than half what the West India Committee thought necessary in 1884*, the amount of the tax, with a consumption of over a million of tons, would represent an additional tax of two and a half millions, and the actual burden of the tax would probably not be far short of five millions, or the equivalent of an income-tax of from 2d. to 3d. in

Effect of duty on price.

* In the Board of Trade Report on the Sugar Trade, Parl. Paper 325, of 1884, page 10, it is stated that the “ excess reduction of price due to bounties is estimated by the West India Committee at £5 per ton,” which is equivalent to 5s. per cwt., and this statement is borne out by an official letter of the West India Committee, dated 24th July, 1884, Parl. Paper 345, of 1884, p. 166. The inference in the text, therefore, seems to be accurate. But the West India Committee have since informed me privately that in their opinion a duty of 1s. to 2s. per cwt. would be sufficient to countervail the duty ; and £2 per ton or 2s. per cwt. was named by Mr. Martineau at the meeting on the 26th March, 1886, as the amount of duty which would satisfy the sugar industry. The point, however, is immaterial to my argument, since whatever the duty may be, the price must be raised by the amount stated in the text, or the duty would fail in its proposed effect.

Conclusion
as to sugar.

the pound, which would be paid chiefly by the working classes.

The figures given on page 322 show that as a matter of fact the burden of a tax bringing in a revenue of £2,121,000 was £3,931,000, the actuality thus very closely bearing out Lord Farrer's estimate.

The case against reversing our financial policy by Retaliation of any kind, in the case of any article whatever, seems to me to be overwhelming. But that any impartial person should be found willing to reverse it in the case of sugar would be simply astounding.

I have thus dwelt at length on this subject of sugar, in the first place, because of the great and growing importance of the article; in the second place, because it illustrates the operation of bounties as well as of Protective duties; and lastly, because the financial history of sugar in this and in other countries illustrates admirably the value of the principle of Free Imports, which is advocated in this book.

By means of the Sugar Convention, which was signed at Brussels in March, 1902, and came into effect on September 1st, 1903, "The High Contracting Parties engage to suppress from the date of the coming into force of the present Convention the direct and indirect bounties by which the production or exportation of sugar may profit, and not to establish bounties of such a kind during the whole continuance of the said Convention." The Convention is to last for five years, and was signed by representatives of the United Kingdom, Germany, Austria-Hungary, France, Spain, Italy, the Netherlands, and Sweden. During its continuance the United Kingdom engages not to give preferential treatment to sugar from British Colonies; but, on the other hand, refuses to subject sugar from Colonies which may give bounties on its production or manufacture to the penalties which in other cases would be entailed by adhering to the Convention. These penalties are either the imposition of special rates of duty on the sugar of bounty-giving countries or total prohibition of its import, at the choice of the country to which the bounty-fed sugar is exported. The special rates of duty are fixed by a permanent commission, meeting at Brussels, and have relation to the amount of the bounty given; but the United Kingdom is at least unconcerned in the disputes and difficulties involved in these special duties, since it has adopted the alternative of totally excluding sugar not produced or manufactured in accordance with the terms of the Convention.

The amount of the surtax, to which Lord Farrer makes frequent

reference in these pages, is limited by the Convention to a maximum of 6 francs per 100 kilogrammes on refined sugar, and to 5 francs 50 c. on other sugar, this proviso not applying, however, to the rate of import duty in countries which produce no sugar.

While the Convention is highly satisfactory to those members of it which inflicted serious injury upon themselves in their endeavour to capture the British market by means of giving ruinous bounties, and are now secured against the competition of Russia and other countries which refuse to sign the Convention, it appears likely to have disastrous effects on British industry. The manufacturers of jams, biscuits, and confectionery are severely hampered by the rise in price of their raw material, and they are further laid open to the competition of other countries, which may purchase cheap bounty-fed sugar—prohibited in England—from Russia or elsewhere, and “dump” in England confectionery and other sugared goods manufactured from it. The Convention thus makes countervailing duties upon such goods a necessity if justice is to be done, and paves the way to a general system of Protection. Apart also from its bad economic effects, the adherence of the United Kingdom to the Convention has subjected domestic legislation and England’s relations with her Colonies to the will of a commission on which the representatives of foreign countries have an overwhelming majority. “Freedom is greater than Free Trade,” and freedom is sacrificed to such an extent that the United Kingdom is forbidden, even should it desire to do so, to give preferential treatment to the sugar of its Colonies and dependencies. Reference has already been made to the penalising of Ceylon and Indian teas by Russia by way of retaliation as one of the first-fruits of this Convention, so hurtful both to domestic industry and Imperial relations.

CHAPTER XLIX.

CONSEQUENCES OF RETALIATION, IF PRACTICABLE.

WE have seen that Retaliation would be an impotent weapon in our hands: that to retaliate on articles of food, or of raw material, is out of the question; and that to retaliate on manufactures, as proposed by the Fair Trade League, or on luxuries, as proposed by Lord Salisbury, would have no effect except that of exposing us to a far more dangerous Retaliation in return. We have also seen that our position as Free Traders in the midst of Pro-

Consequences of Retaliation.

Consequences of Retaliation.

tectionist countries is not such as to call for a change in our policy. But, assuming that all these things were unproved, supposing that a fundamental change is necessary, and supposing that a Retaliatory policy were possible for us, it is worth while to consider what its consequences would be.

Englishmen must buy dearer and worse Goods.

1. One effect of Retaliation would be to deprive English people of the goods they can buy better and cheaper abroad. This, if confined to luxuries, would, perhaps, be the least of the evils caused by it. If the only effect of a high tariff were to limit the sums expended on the hot-house, the shrubbery, the game preserve, the hunting stable, the race-course, or the ball-room, there would be comparatively little objection to it. The national loss would be small, but the effect, whether for fiscal or economical purposes, would be small also. If Retaliatory duties are to have any real effect, they must touch things which a great many people want and use : and in this case the comfort and convenience of a large number of people would be seriously affected.

Sale of English Goods would be diminished

2. A second effect of Retaliation would be to diminish the sale and manufacture of English goods. Goods of foreign make bought for our use at home are *ex hypothesi* better and cheaper than similar goods of native manufacture. Goods of English make bought for use by foreigners abroad are *ex hypothesi* better and cheaper than similar goods of foreign manufacture. If English people are prevented from buying abroad, and foreigners from buying here, there will be less produced, less profit made, and less to spend in return on both sides. The Frenchman who sells his silk to us makes more profit, and buys directly or indirectly more of our goods in return, than the English silk merchant would do if we were to compel English people against their will to use English silk instead of French silk.

Materials would be scarcer and dearer.

3. We should cripple our own trade by depriving it of materials. Many, if not most, articles are made for further use in manufacture. What is a manufactured article in retrospect is raw material in prospect, as I have shown in the case of sugar, dressed hides, and numerous other articles.

4. We should also stunt and cripple our manufactures by bestowing the fatal gift of Protection upon them, and

depriving them of the stimulus of foreign competition. At this moment our leather trade suffers by American competition, because the Americans tan hides cheaper than we do. Our Bradford fabrics have been suffering, because our wives and daughters have found French or German woollens pleasanter or prettier than Yorkshire goods. They are now recovering their custom. If we were to exclude American leather, or French woollens, we should exclude the stimulus requisite for improvement in the tanneries and woollen mills of England, and very likely stop the improvement in these particular manufactures which is at this very moment in progress.

Consequences of Retaliation
We should lose the stimulus of Competition.

In an earlier reference to woollens it has been shown that though our exports are less than they were, more wool than ever is being manufactured in England for home consumption. At the same time the yarn makers of Bradford have a very large and profitable demand from Germany, which would be killed or reduced if retaliatory duties were placed on the German woollens made from Bradford yarns and imported into England. And not only would the yarn manufacturers suffer, but so would the manufacturers of clothing, of whose industry woollens are the raw material.

5. A further and a most serious evil has not been sufficiently considered. We are not now arguing with professed and straightforward Protectionists, who say that they wish to keep out foreign goods altogether; we are arguing with people who profess to wish to exclude foreign goods only in order to make foreigners admit English goods. Now what will be the position of our unhappy protected interests when Retaliation has effected its purpose, and when the foreign nation against whom it is directed offers us a free tariff on the condition of our repealing our Protective duties? We shall have nursed up a miserable interest, feeble for purposes of production, as protected interests always are, but powerful in the lobbies, and clinging with tenacity to its Protective duties, which will then be seen to stand in the way of other and more important interests. This unhappy interest will either maintain itself to their detriment, or it will be sacrificed for their benefit, and its last state will be worse than its first. The ribbon-weavers of Coventry have time out of mind been

Last state of Protected Interests worse than the first.

Consequences of Retaliation.

complaining of bad trade and foreign competition. Since the French Treaty they have, at any rate, known their fate, and Coventry has other manufactures and other prospects of prosperity. It would be the height of cruelty to tempt capital and labour back into the ribbon trade by the prospect of a Protection against French ribbons, to be withdrawn as soon as the French people become alive to their own true interests, and repeal their duties on English iron and cotton.

Such are the evils which would follow upon retaliation in the very unlikely case of its being successful. A consideration of the existing facts makes it very hard to see on what grounds Fair-traders expect a reduction of foreign duties as a result of adopting duties at home. The Protectionist nations do their best to bar out each other's goods by Protective tariffs just as high as, and in many cases higher than, those levied on our own. Retaliation, as a rule, provokes more retaliation, and in those exceptional cases where a duty, or the threat of a duty, induces a foreign nation to give some concession in exchange for its non-imposition, the United Kingdom gains all the advantage without any of the risk, for under the most-favoured-nation clauses of numerous treaties other countries are bound to admit British goods at the lowest rates scheduled in their tariffs. The exceptions to this rule are few and trumpery. In Germany, France, Russia, Austria-Hungary, Italy, and Japan all the produce and manufactures of the United Kingdom and those of most of her Colonies are subject only to the lowest duty which is levied on the goods of any other nation, for whatever reason the duties may have been reduced. In the United States there are concessions on crude tartar, wine, spirits, paintings, and statuary given to France, Portugal, Germany, and Italy, and reciprocal commercial arrangements not accorded to the United Kingdom. Spain and Portugal give each other certain advantages denied to England, but with these exceptions all countries treat Great Britain as the most-favoured nation. At least, these were the only exceptions until the United Kingdom joined the Sugar Convention and excluded Russian sugar, this departure from Free Trade principles being followed by retaliation on Russia's part in charging higher duties upon Ceylon and Indian teas, and threatening to withdraw the most-favoured treatment from British products. Germany denies to Canada the most-favoured-nation treatment, and subjects Canadian goods to the general tariff because Canada levies higher rates on German goods than those charged to the United Kingdom. In these circumstances, where is the justification for thinking that penalising imports from the

foreigner will induce him to remove penalties; or, rather, one should say duties, from our exports? England as the one Free Trade country in the world is nowhere penalised, but receives better treatment from her Protectionist rivals and neighbours than any single one of them is accorded in foreign markets, and Canada, which differentiates, is offered no bribe to abolish the differentiation, but immediately finds her goods handicapped in at least one foreign market. To Free-Traders it seems reasonable enough that Protectionist Germany should accord better treatment to the United Kingdom, which gives her an absolutely free market, than to Canada, which gives better treatment to the Mother Country. But to our new Protectionists it seems an attack upon the Empire, and they profess the expectation of forcing Germany to favour Canada by threatening British penalties on German products. The result would probably be the removal of the United Kingdom as well as of Canada from the most-favoured-nation list in the German tariff. Against duties levied as a matter of Protective policy there might be no reason for complaint, but against their enactment avowedly for the purpose of forcing Germany's hand and dictating to her a tariff policy there would be, unless the Germans are a much humbler folk than they have ever shown themselves, a feeling of irritation, sure to manifest itself in a manner inimical to British interests. In spite of tariffs the United Kingdom is a serious rival to Germany, which might easily welcome an excuse for more effectively shutting out our goods from her markets. For it must not be forgotten that the Germans are Protectionist by conviction, and by no means ready to recognise the evils that such a policy would inflict upon themselves.

Expenses
of Collec-
tion.

6. A sixth evil of Retaliation peculiarly evident to the official mind, but not the less a great public evil, is that it would lead to all the confusions and difficulties which arise from duties differing according to the nationality of the goods, and all the mischiefs and frauds attendant on certificates of origin, and upon valuations for the purpose of levying duties. Anyone who wishes to see how great this evil is should look at Mr. Secretary Manning's Report to the United States Congress, presented February 16th, 1886. A generation has passed away since the reforms of our own tariff swept this troublesome rubbish into the official waste-paper basket. Those who were at work then can remember what a relief that reform was. But the mischiefs formerly caused to trade in its then contracted state were as nothing compared to the evils which such a

Confusion
at the
Custom
House.

system would now inflict on trade, considering the infinitely greater number of commercial dealings which now take place, and the infinitely greater speed with which they must be conducted.

7. A seventh evil would be an increase in the cost of the Customs staff, and in the general expenses and trouble of collection, which would run away with a large part of any duties that might be imposed.

8. Another, and most formidable evil, is that which American writers have pointed out as actually happening in the United States—viz. the lobbying and jobbery of all the different special interests seeking Protection, tending, as has been stated above, not only to economical mischief, but to political degradation.

Even the most ardent Protectionists sometimes admit this danger, and Dr. Beattie Crozier, advocating Protection in the July number of the *Fortnightly*, 1903, is constrained to conclude his article thus: "And yet in contemplating the return to Protection which sooner or later awaits us, we cannot but linger with a sigh over the halcyon days of Free Trade—a brief summer of Imperial supremacy like that of Rome in the age of the Antonines, before her inevitable decay set in; for with a Parliamentary Government without central controlling initiative like that of the Czar or German Emperor to keep its hand on corruption, the vast interests involved in every change of tariff under the *régime* of Protection must put such pressure on individual members of the Legislature that the present purity of our political institutions will gradually tend to disappear, and the Boss, the Lobbyist, and the professional politician, as in France and America, will enter with all their train."

9. Finally, Protective duties imposed for the purpose of Retaliation would not, any more than Protective duties imposed for the purpose of revenue, be confined within the limits necessary for their professed purpose. It is the nature of Protection to feed upon itself, to extend its borders as long as there is anything outside them, and to prevent its own abolition by creating an ever-increasing number of narrow vested interests which depend, or think they depend, on its maintenance. All experience proves this. If there is any one lesson to be learnt from the recent policy of the United States, of Germany, of France, of

Political
degradation.

Protection
begun for
Retaliation
will not
stop there.

Russia, of Canada—in short, of all countries which have embraced Protection—it is that the first step on the downward path is sure to be followed by others, and that those who really look to Free Trade as the ultimate object of their commercial policy are out of their senses if they coquet with the smallest and most specious form of Protection—*c'est le premier pas qui coûte*.

CHAPTER L.

RETALIATION ON FRENCH SILKS AND FRENCH WINES.

LET us see how Retaliation would work in an actual and not improbable case. Proposals to tax French silk have been made, and are not unlikely to be made again. Silk is, comparatively speaking, a luxury, and it is an important French manufacture. According to our own statistics, we imported silk to the value of about 10 millions sterling from France in 1880. There is some reason to doubt these figures, as the exports from France to England, according to French statistics, were only $6\frac{1}{2}$ millions, of which $3\frac{1}{2}$ millions were French manufacture; but it is certainly an important article of French manufacture and export. We also make and export a large quantity of silk manufactures, amounting in 1884 to over two millions. Let us see what would be the consequence of a high Protective duty on French silk imported into England.

Retaliation
in the case
of Silk.

The French supplement to the *Moniteur Officiel de Commerce* for June, 1903, dealing with Franco-British commerce for 1902, states that where the English figures give 250 million francs as the value of the imports of French silks, the French export figures are only 160 million francs, the difference being accounted for by the transit trade already referred to. Our exports of silk manufactures are less than in 1884, being now only £1,631,000. From this Protectionists, of course, jump to the conclusion that the trade has been injured by lack of Protection, and yet the growth of the silk industry is a remarkable example of the beneficial effects of Free Trade and the blighting effects of Protection, and the recent decline in our exports must be sought in

other than tariff reasons. The English silk industry is 100 years older than that of Lyons, and was well established in 1363. Without a shred of Protection it employed 40,000 people in the reign of Elizabeth; but in 1697 the importation of European silk manufactures was prohibited, and in 1701 the prohibition was extended to silks from India and China. In 1719 a duty of 4s. 8d. per lb. was imposed on imported thrown silk, and from this date the silk industry declined. In 1816, at a public meeting for the relief of the Spitalfields weavers, the secretary said that 66 per cent. of them were unemployed, and Mr. Fowell Buxton stated that the distress among the manufacturers partook of "the nature of a pestilence which spreads its contagion around and devastates an entire district." Mr. Wardle, a Protectionist authority on the silk trade, admits that "during these years of high Protective duties the English manufacturers slept and fattened in their security," and that they learnt too late "that they had been protecting their own ignorance." English looms were the worst in Europe, but were improved under the Free Trade régime, and though we have recently lost ground again in silk manufacturing, the history of its Protected days gives the strongest possible reason for believing that that way no remedy lies.

Silk would
be worse
and dearer
in England.

Retaliation
on Silks
and Wines.

English
Dress-
makers
injured.

1. English people would get their silk goods less good and less cheap. This, it may be said, is a trifle. Silk is a luxury, and people can do very well without it. I will admit that it is not the most important of articles; but is it a trifle to make the handkerchief, the ribbon, the Sunday gown, dearer and uglier? Is it a trifle to take from our people one of the few articles which add grace and beauty to our somewhat sombre and dreary life? Speaking in the interest of those who can spend little upon mere beauty and ornament, I cannot come to any such conclusion.

2. It will injure a certain number of workmen and workwomen, who now make their living in England by making up into dresses the comparatively good and cheap French silks which we get from France. This is more important than it seems. Without attaching too much importance to the figures, I may again mention the fact that Mr. Worth, the great Paris dressmaker, states that a liberal tariff for materials of dress in France would increase Paris exports tenfold; and that a three weeks' Court mourning in London is even now a loss of £600,000 to Paris dressmakers.*

* C. 4715, i., p. 127.

3. It will diminish the quantity of English goods which are now sent, directly or indirectly, to France in return for French silk. This is beyond doubt. Whatever France sends us we pay for, and we pay for it in something we can make better than she does ; we shall lose a certain quantity of French custom, directly or indirectly. But it will be said, " The money now spent by English people on French silk must be spent on something else ; that something will probably be silk made in England, and so English labour and capital will be employed as much and as profitably as if they were employed to pay the French for their silk."

Fewer English Goods will be made and sold in Exchange.

The rejoinder is clear : they will be employed, but not as much or as profitably. *Ex hypothesi*, the French make the silk they send us better and cheaper than we do ; they can make more profit out of it, and can therefore spend more on other goods of ours in return. On the other hand, it is equally clear that the English capital and labour which we are going to divert into the silk business is now employed on something which pays better than silk, or they would be employed in making silk. Consequently, by diverting this labour and capital to silk-making we are making it less profitable than it was before the tax. There will be a loss all round.

4. It will deprive our own silk manufacturers of the stimulus for improvement now arising from French competition ; and this, considering the value of French taste and ingenuity in improving the beauty of manufactures, is no small consideration.

Silk manufacture in England will not be stimulated by Competition.

5. It will call into existence a protected manufacture, weak and sickly as such manufactures always are. Who that remembers the constant distress of the Spitalfields weavers in the days of Protection can desire to see English money and English workmen again tempted by Protective duties into such a business ?

A weak manufacture will be fostered.

6. It will not only coax a miserable trade into existence, but if Retaliation answers the purpose of its promoters, and the French are induced by our refusal of their silks to offer to take our cottons and wool and iron on reasonable terms, we shall be forced to abandon this protected trade to the tender mercies of French competition. We shall have indulged it and pampered it only to betray and desert it. We

And this weak interest will hereafter be deserted.

shall have educated a body of skilled workpeople to a special branch of work only to be left helpless and useless when it comes to an end.

The Custom House will have to distinguish the Country of origin of all imported Silk.

7. In the meantime we shall have to distinguish at the Custom House between French-made silk and all other silks ; for it is an essential part of the policy of Retaliation and Reciprocity that we are not to place these duties on the goods of countries which take our goods free. Switzerland, for instance, and probably Italy, send their silk goods to us through France. French goods may be sent to us through Belgium or Holland. We must therefore ascertain, before we allow any bale of silk goods to be landed in England, whether they have been made in France or in some other country. Conceive the confusion, difficulty, and delay which such official obstructions would cause. They would injure trade more than the tax itself.

Retaliation on Wine.

In silk I have taken a manufacture which is carried on both in France and England, and in which, therefore, Retaliation involves Protection to English manufacture. This would not be the case with wines, to which "X." (the writer in the *Pall Mall Gazette*, to whom I have referred above) points as an article on which we might properly lay a Retaliatory duty. If our hands are freed from treaty obligations, and if either fiscal or social reasons lead us to desire to alter our wine duties, by all means let it be done ; but if they are to be purely Retaliatory—that is, if we impose duties which we know to be injurious to ourselves for the purpose of injuring France, and thereby compelling her to reduce some of her duties on our goods—then they would be open to all the objections I have pointed out in the case of silk. They would, it is true, not protect our manufactures of wine, as we have none, but they would protect the wine-growers of Spain, Italy, and Germany, which it is certainly not our object to do. In all other respects such duties would be followed by every one of the evil consequences I have pointed out as the consequences of a Retaliatory duty on silk.

CHAPTER LI.

RETALIATION DOES NOT ONLY NOT EFFECT ITS OBJECT, BUT
HAS A CONTRARY EFFECT.

ALMOST any one of the objections above noticed appears to me to be fatal to the principle of Retaliation ; but there is still another objection, which has as great weight as any of them. Retaliation is not calculated to effect its object ; it is calculated to effect the very opposite. It grows upon itself. It provokes additional Retaliation, until the nations are hopelessly alienated. A little consideration will show how natural this is, and how little reason we have to expect a favourable result from it.

Retaliation
will
provoke
Retalia-
tion.

In the first place, we lead Protectionists to think that we do not believe in our own principles. "See," they will say, "what England is doing. She professes to believe that the lowering of import duties is a good thing in itself, and yet she is taking the first opportunity to raise her own. We will follow her example rather than her precepts."

It shows
Mistrust in
our own
Principles.

In the second place, a natural feeling of antagonism is aroused ; and feeling is often stronger than self-interest. "We are giving so much, and you give so little ; we will punish you by giving less." Canning's well-known despatch involves a political, if not an economical truth :—

It arouses
antago-
nism.

"In matters of commerce the fault of the Dutch
Is giving too little and asking too much ;
With equal advantage the French are content,
So we'll clap on Dutch bottoms twenty per cent."

It needs no thought to feel angry at an over-reaching bargainer ; it needs much thought to see that the over-reacher over-reaches himself more than he over-reaches us—that we are the greatest gainers by what we have given him.

But this is not all. The strength of Protection lies in the power of concentrated protected interests. They spend money, time, and trouble in defence of their privileges ; they intrigue behind the throne ; they crowd the lobbies ; and are ready to take the best advantage of the popular indignation caused by an unsuccessful negotiation.

Strength of
protected
interests.

Experience
in France.

The French Emperor was either unable or unwilling to sacrifice his French ironmasters, though cheap iron was one of the first necessities of France. M. Tirard quakes before Rouen and Roubaix. The ironfounders of Pennsylvania are more urgent in the Senate House at Washington than all the Western prairies. It needed a most unusual conjunction of political philosophy, public interest, wealthy manufacturers, distress among the working classes, and heroic leaders, to repeal our own Corn Laws. Our shipowners have scarcely yet forgiven the repeal of the Navigation Laws, though freedom of trade has given them the command of the seas. The recent growls from Preston, from Bradford, from Lincolnshire, from the farming interest and the sugar interest, show how soon and how easily, even in this country, partial and self-seeking interests could mislead the multitude and excite a jealous and angry cry, not only for Fair Trade, but for absolute Protection to every special interest. Once embarked in a war of tariffs, and we are much more likely to arrive at Prohibition than at Free Trade.

Recent
French
duties on
animals
and corn.

France is one of the countries which has been making the most retrograde steps, and it is interesting to see how in France one Protective measure is leading to others. She protects the yarns which her silk manufacturers need, so she is asked to give a bounty on the export of silk. She protects her own sugar-growers, so she must also protect her colonial sugar-growers and her refiners. To remedy agricultural distress, which appears to be greater in France than in England, the French Legislature has imposed Protective duties on imported oxen of £1 a head, and on imported corn of 5s. a quarter.

The duty on oxen is now 20 francs per 100 kilogrammes live weight, which, on a fat beast, would amount to £2 or over per head. The duties on corn and flour have been more than doubled.

The tax on corn has led to a still higher duty on foreign semolina and similar stuffs in order to protect the French makers of those articles; and to a very high Protective duty on foreign flour in order to protect the French millers. But the remarkable thing in reading the discussions on these measures is that the most common and most successful

argument for Protection to agriculture was that French manufactures were already protected at the expense of French agriculturists, and that it was therefore only fair to French agriculturists that they should be protected in turn, at whatever cost to French manufacturers. One bad step involves another. Each class seeks to be protected in turn ; and they form in the end a ring of jobbing interests which unite in opposition to the public interest, because though all suffer by it, each is afraid to be the first or only one to lose its privileges.

Retaliation
produces
Retalia-
tion.

Precisely the same course has been followed in Germany, in Canada, and in Russia. One step has led to another until the vicious circle is complete, and Free Trade is further off than ever.*

Experience
in Ger-
many,
Canada,
Russia, and
the United
States.

The history of Protection in the United States is also very instructive.† A moderate Protective system existed before the Civil War. During the war everything was taxed, whether imported or produced at home. Protective duties were largely increased in order to compensate for internal duties on the same articles, or for import duties on the raw material. After the war internal duties were taken off, but the compensating duties on imports were continued. They have even been increased, and such has been the influence of the protected interests on each change in the tariff, that measures intended to give some relief to the consumer have been so manipulated as to give more Protection to the manufacturer. The Americans have now, probably, the worst tariff in the world ; and, whilst they injure other nations, they are themselves the greatest sufferers by it. Nor are the evils which result from it economical only. Mr. Taussig says :— ‡

“ Contributions to the party chest are the form in which money payments by the protected interest are likely to have been made, so far as such payments were made at all. But the general laxity of thought on public trusts undoubtedly made possible the manipulation of the tariff in the interest of private individuals. The tone of political life—as indeed that of commercial life—was lowered by the abnormal economic conditions that followed the war,

* See above, pp. 137, 166, 180, 214, etc.

† “History of the Present Tariff,” p. 75.

‡ See above, pp. 211 and 237.

Retaliation
produces
Retalia-
tion.

and the general demoralisation enabled the protected interests and their champions to rush through Congress measures which, in a more healthy state of public affairs, would have been reprobated and rejected."

Those who are anxious to re-introduce Protection in this country should be warned by the example of the United States, that if this game of favouritism to special interests were once begun, it is not likely to stop without endangering public morality, and causing evils which are even worse in their social and political than in their economical aspect.

In the Dingley and McKinley tariffs the United States has gone to the worst and extremest lengths of Protection ever known, and the state of political morality in that country is notorious. The constant tinkering with the tariff at the bidding or suggestion of Protected interests, which is such a feature of American politics, is illustrated by the following table of alterations—most of them more or less trifling—within the last seven years :—

AD VALOREM RATES OF DUTY IN THE UNITED STATES IN THE YEARS
1896, 1898, 1900, AND 1901.
UNITED STATES TARIFF.

| | 1896. | 1898. | 1900. | 1901. |
|--------------------------------------|--------|--------|--------|--------|
| | % | % | % | % |
| Breadstuffs | 25 | 33 | 33'46 | 34'11 |
| Chemicals | 31'04 | 31'20 | 29'35 | 26'96 |
| Cotton | 45'82 | 54'78 | 55'34 | 54'87 |
| Earthenware | 33'81 | 55'37 | 58'82 | 58'79 |
| Flax : Raw | 7'03 | 13'74 | 13'57 | 11'06 |
| Manufactured | 45'58 | 41'14 | 39'53 | 39'30 |
| Fruit and Nuts | 19'73 | 46'95 | 44'32 | 39'08 |
| Glass | 46'07 | 57'43 | 57'60 | 58'44 |
| Iron and Steel | 37'73 | 45'51 | 37'47 | 38'15 |
| Jewellery | 16'40 | 12'28 | 13'83 | 12'99 |
| Leather and Manufactures | 25'47 | 32'30 | 35'31 | 35'13 |
| Liquor : Malt | 15'18 | 53'46 | 50'83 | 50'60 |
| Distilled | 125'77 | 145'35 | 135'33 | 130'38 |
| Wine | 50'80 | 51'72 | 51'70 | 50'20 |
| Sugar | 41'20 | 54'03 | 76'42 | 73'68 |
| Tobacco Leaf and Manufactures | 107'73 | 120'55 | 105'96 | 110'62 |
| Wood and Manufactures | 20'00 | 21'62 | 18'49 | 18'12 |

Protectionist
Countries
get no
better
terms than
we do.

But, to return to the economical effect of Protection, what are the teachings of experience? We have some Protectionist and some half-Protectionist countries. Do they get better terms from each other than the Free-trading countries? Does the United States get better

terms from France or Germany or Canada than England or Holland? Are the Protectionist countries ready to fly into each other's arms? We know very well that this is not the case. The very reason for the adoption of the commercial policy which we pursued from 1840 to 1860 was that negotiations for commercial treaties had been tried and had failed signally. They had been tried by the ablest negotiators, by Sir R. Peel and Mr. Gladstone, and by the Minister who preceded them. They had been tried, with the best possible materials for negotiation, with Protective duties on our part such as Lord Salisbury in his wildest dreams can never hope to get; duties, too, which our own Minister wished for our own sakes to reduce or repeal. When Mr. Ricardo brought forward his celebrated motion for reduction of duties in 1843 and 1844,* his first and strongest point was that negotiations for commercial treaties with Brazil, Portugal, Spain, and France had all been pending and had all come to an end, not only without any favourable result, but with the result of leaving our relations with those countries worse than they had previously been. This, no doubt, was one principal reason why, though Mr. Ricardo's motion was rejected at the time as too abstract and absolute, Sir R. Peel and Mr. Gladstone subsequently adopted its policy.†

Failure of
early
Reciprocity
negotia-
tions.

The conclusion of Mr. Ricardo's speech consisted of an apt quotation from Dr. Franklin, which may be almost taken as a prophecy.

"Suppose X to be a country having three manufactures, cloth, silk and iron, furnishing those manufactures to three countries, A, B, C; and that X, to improve the cloth manufacture, should lay a duty amounting to prohibition on all the cloth coming from A; that A, to retaliate, should lay a prohibitory duty on silk coming from X. The silk-workers would begin to complain, and X, to protect them, should lay a prohibitory duty on the silk coming from B; B, to retaliate, should put a prohibitory duty on iron coming from X. The iron manufacturers would complain, and then X, to protect them, should lay a prohibitory duty on iron coming from C; whilst C, to retaliate, should lay a

Dr.
Franklin.

* "Hansard," vol. 73, p. 1271.

† See Sir R. Peel's speech, July 6, 1849.

"Hansard," vol. 106, p. 1429.

Retaliation
produces
Retalia-
tion.

United
States and
Canada.
Reciprocity
Treaty.

duty on the cloth coming from X. And Dr. Franklin asked, what benefit these four countries would gain by these prohibitions, while all four would have curtailed the sources of their comforts and the conveniences of life ? ”

Our experience is not confined to this side of the Atlantic. Dr. Franklin's supposed case represents exactly the present relation between his own country and Canada. The United States and Canada are meant by nature to do business freely with one another. An artificial barrier between them is to the eyes of common sense, as of political philosophy, absurd and unnatural ; and yet it exists, and has grown into formidable dimensions within the last twenty-five years. This is no doubt partly due to extraneous circumstances, such as the dispute between the Fisheries and Fenian raids ; but in the main it has been the natural result of endeavours to arrive at Free Trade by the road of Retaliation. In 1854, as I have mentioned above, a commercial treaty was made between Canada and the United States to the mutual advantage of both, under which certain products of each country were admitted into the other duty free, liberty to tax other products being still reserved. In 1865 the United States denounced that treaty. What were the reasons they gave for it ? Those reasons were contained in an elaborate report of the Committee of the House of Representatives, which was laid before our Parliament.* The Committee admit and assert, in the strongest terms, the importance to Canada and to the United States of the most unrestricted intercourse, and indeed advocate, as the best if not the only method of effecting it, a complete Zollverein, or Customs Union on the German plan, including all British North America, within the limits of which no Customs duties whatever should be levied. The same Committee condemn the then existing treaty in terms which remind one of our Fair Traders, because, as they say, it was one-sided ; in other words, because the people of the United States obtained under it Canadian corn, and fish, and timber duty free, whilst the Canadians were compelled by their own import duties to pay an extra and unnecessary price for the sugar,

* See Despatch from Lord Lyons, North America, No. 10, 1862.

cotton, silk, iron, and wool of the United States. The Committee made special, and apparently not ill-founded complaints that Canada had ever since the treaty constantly increased her duties on these articles until her conduct had provoked severe observations from the English Colonial Minister, which again provoked unpleasant re-
 crimination in the Canadian Parliament. What induced Canada thus to increase her duties I do not know ; but that she should do so in the hope of obtaining still better terms from the United States was a natural result of the bargaining system. At any rate, the result was that the United States, instead of taking a step in the direction of freedom, said, " If you give us such bad terms, we will give you worse " ; and they consequently withdrew from the treaty, and left Canadian goods subject to their oppressive tariff. The attempts at a bargain went on more or less until 1879, when Canada, finding herself worsted, determined to retaliate with great vigour, and adopted the Protective tariff of 1879, of which we have heard so much, and which, whatever Mr. Goldwin Smith may say, was distinctly Protectionist in character, and was expressed and intended to be a commercial blow to the United States. What will be the next step no one can say. Sooner or later both parties will probably come to their senses ; but in the meantime, we may well ask, with Dr. Franklin, " what benefit those two countries have gained by their prohibitions, whilst each has curtailed the sources of their comforts and the conveniences of life ? " But such is the natural result of the use of those dangerous weapons, Retaliation and Reciprocity ; and to such an end we may be very sure Retaliation would soon come in this country, especially if it were wielded by the hands of those who cannot see the fundamental truth that every separate restriction on commerce, whether imposed by ourselves or others, is a separate and independent evil to ourselves as well as to our neighbours, and that every removal of every restriction is a separate and independent gain to ourselves as well as to our neighbours.

Retaliation
 produces
 Retalia-
 tion.

Two instances have been mentioned, and two only, in which Retaliation or the dread of Retaliation has been effectual in inducing Protectionist nations to grant better

Retaliation
produces
Retalia-
tion.

Alleged
instances of
successful
Retalia-
tion.

Spain and
Germany.

terms. The one is the case of Germany and Spain.* The other is the case of the United States and Cuba and Porto Rico.†

Of the first case we have a very imperfect account. But the general outline seems to be that Spain, like France, has, as is well known, a general tariff very Protectionist in its character, and a conventional tariff less exclusive though still highly Protectionist. The general Spanish tariff was thus not only Protectionist, but differentially Protectionist. In consequence of differences arising on the revision of the German tariff, Spain applied her general tariff to Germany; Germany withheld or threatened to withhold from Spain certain reductions granted to Italy. Spain gave way, and the conventional tariff was applied to German goods. It is to be observed, however, as Mr. Kennedy is careful to tell us, that political as well as commercial considerations had influence in this negotiation.

But, after all, what does the case amount to? Two countries—both of them Protectionists—had a tariff which was not only Protectionist but *differential*. Neither of them abandoned a hair's breadth of their Protective policy. All they abandoned was a differential duty, which operated not so much to protect the home manufacturer as to protect some non-favoured foreign competitor. Protection still rides rampant in Spain as in Germany, notwithstanding the conventional tariff. Further, this country, as is well known, has suffered under the general tariff of Spain—a grievance which has been so bitterly felt by our traders and by our Foreign Office, that Mr. Kennedy in his evidence‡ actually expressed regret that we had not imposed a differential duty of 5s. on Spanish wines, pending the recent negotiations for a treaty. I feel sure that Mr. Kennedy, like other good Free Traders, must now rejoice that England has, under the Anglo-Spanish Treaty concluded this spring, obtained all the benefit of the Spanish conventional tariff—not by retaliating and thus abandoning her well-established policy, but simply by removing an anomaly in her

* See Mr. Kennedy's Evidence before the Commission on the Depression of Trade. First Report. Question 273.

† Ditto, Question 276, and Parl. Paper, c. 3927, of 1884.

‡ Question 239.

own wine duties which Spain had long complained of as practically differential in favour of French wines, and which tariff reformers in this country had long urged as necessary on general principles of economy and finance.*

Retaliation
produces
Retalia-
tion.

The anomaly complained of was the higher duty on wines of the alcoholic strength generally exported by Spain than on the lighter wines of France. Spain was satisfied when the lower duty was made applicable to wines containing several more degrees proof spirit, the higher rate remaining for wines of still greater strength. In 1901 duties were raised all round without causing any complaint from Spain, which, as already mentioned, gives no country but Portugal easier terms under her tariff than are accorded to the United Kingdom.

The other case—viz. that of the United States and Cuba and Porto Rico—is so complicated that it is not worth while to state it at length. But here, again, it was not a question of abandoning a Protectionist policy, but simply of getting rid of certain complicated *differential* duties, levied in either country, which had arisen out of the Protective and Retaliatory systems of both countries. Indeed, anyone who will look at the absurd story of complicated restrictions told in the President's message, quoted in pages 7 to 12 of the Parliamentary paper,† will be of opinion that a policy which could lead to such restrictions must be in its essence foolish and wrong. It is a *reductio ad absurdum*. These two instances give countenance to the notion that two nations may plague one another by exceptional and differential restrictions so foolish and suicidal that both may agree to abandon them. But they give no countenance whatever to the notion that Protectionist nations get better terms from their neighbours than Free Trade nations, or that Retaliation will induce Protectionist nations to adopt a Free Trade policy.

United
States and
Cuba and
Porto Rico.

* See, for the English Treaty with Spain, Parl. Paper, c. 4734 (1886).

† C. 3927 (1884).

CHAPTER LII.

THE FRENCH TREATY OF 1860.

Cobden's Treaty gives no countenance to Retaliation.

To Retaliation, whatever Lord Salisbury may say, the French Treaty of 1860, properly understood, gives no real countenance. In that treaty we neither imposed nor threatened to impose duties either on French or on any other goods; on the contrary, we took duties off French goods, and at the same time off similar goods the produce of all other countries.

We did nothing we should not have done without a Treaty.

In doing this, we were doing what was strictly for our own interest, independently of the action of France. In deference to the weakness of France, we put what we did into the form of a bargain—*Do ut des*; but we were giving nothing we should have wished to keep. What we did was, with one doubtful exception, what we should have done, and ought to have done, had France made no relaxation of her duties. This is the distinction which Lord Salisbury fails to see. There is a world-wide difference between taking advantage of the accident that what we do for our own sakes is looked on by a foreign nation as a concession, and doing something which for our own sakes we should avoid, in order to have a concession to make. The fact that the form of the French Treaty has misled Lord Salisbury and others into overlooking this distinction is, to my mind, the greatest objection to it.

Wine the sole exception, if an exception.

The single exception to which I have referred—if, indeed, it is an exception—is the wine duty. Strong reasons, founded on considerations affecting the health of the people and the safety of the revenue, were given for the particular duties fixed in 1860–62. So far as these reasons support those duties, there can be no possible objection to them. But there can be no doubt that in fixing these duties the interests of France had also some influence, and there can also be no doubt that these duties have given some advantage to French wine over the wines of other countries. Further investigation and experience have led to a doubt whether these duties were properly settled. The Com-

mittee of the House of Commons which inquired into this subject in 1879 came to the conclusion that the fiscal and social reasons given for these duties were insufficient, and the Spanish and Portuguese Governments have strongly and repeatedly remonstrated against them, as creating differential charges on the wines of Spain and Portugal. Spain has, as we have seen, gone so far as to retaliate by differential duties on English goods. Our own Colonies have complained, as mentioned above.

We have at last altered our wine duties by admitting the stronger wines of Spain and of our Colonies at the lower duty, and Spain has given us the benefit of her conventional tariff. Spain has removed one anomaly in her financial system. We, on our part, have been acting on our established principles; we have made a reduction of duties, which is for our own interest; we have removed the one anomaly in our tariff which arose out of the French Treaty; and the reduction which we have made applies to all wine of a certain strength, without distinction of origin.

It is not, however, by the balance of economical results, past, present, or future, that the value of the French Treaty can be rightly judged. Its effect at the time in putting a stop to that alienation of the two nations which was then threatening to break out into war, and the kindly personal intercourse which has since been brought about between Frenchmen and Englishmen, are results of still greater importance than increase of trade. One thing, however, may be said of the French Treaty, which, considering the danger of all negotiations of the kind, is perhaps not its least merit, viz. that it cannot be a precedent; for, by abolishing all or nearly all the duties we can spare, it has left us little or no means to strike further bargains.

Cobden's Treaty not to be judged by economical results alone.

French Treaty.

In speaking as I have done of the French Treaty of 1860, I am quite aware of the value of the system, well described in the following passage from Mr. Morley's "Life of Cobden."

"In these treaties, and in the treaty made afterwards by England with Austria, Sir Louis Mallet reminded its opponents in later years that each of them had a double operation. Not only does each treaty open the market of another country to foreign industry; it immediately

"Most favoured nation" clause.

affects the markets that are already opened. For every recent treaty recognised the 'most favoured nation' principle, the sheet-anchor of Free Trade, as it has been called. By means of this principle, each new point gained in any one negotiation becomes a part of the common commercial system of the European confederation. 'By means of this network,' it has been excellently said by a distinguished member of the English diplomatic service, 'of which few Englishmen seem to be aware, while fewer still know to whom they owe it, all the great trading and industrial communities of Europe—*i.e.* England, France, Holland, Belgium, the Zollverein (1870), Austria, and Italy—constitute a compact international body, from which the principle of monopoly and exclusive privilege has once for all been eliminated, and not one member of which can take off a single duty without all the other members at once partaking in the increased trading facilities thereby created. By the self-registering action of the "most favoured nation" clause common to this network of treaties, the tariff level of the whole body is being continually lowered, and the road being paved towards the final embodiment of the Free Trade principle, in the international engagement to abolish all duties other than those levied for revenue purposes.' "

Actual consequences
of the
Treaties.

But it must be remembered that some of the nations have drawn back from these treaties; that Germany, Austria, Italy, and France have recently raised their duties; and that if it is a great advantage to have duties reduced for us behind our back, and without effort on our part, by the operation of the "most favoured nation" clause, there is some inconvenience in having them raised behind our back by action on the part of two foreign nations with which we have nothing to do. It may also be some drawback to the value of this generally excellent clause if one nation—France, for instance—should be prevented from reducing her tariff in our favour, because, if she did so, she would be compelled by the "most favoured nation" clause to give the same privilege to another nation—say Germany.

French
Treaty.

In short, if the separate action followed by us from 1840 to 1860 was not successful in making other nations reduce their duties, I think we must admit that neither

has the treaty system adopted in 1860 been followed by success, whilst it has certainly set men's minds in a wrong direction.

Result of
Treaties on
action of
Foreign
Nations
not
altogether
successful.

In making this reference to the French Treaty of 1860, I do not wish to be understood as saying that the balance of results, even in an economical point of view, has not been good. I only say that there have been large drawbacks.

It may seem ungenerous and out of place, in a paper published by the Cobden Club, to say a word which seems to throw doubt upon the great work of Cobden's later years. But Cobden is beyond any such criticism. His greatness consisted in the way in which he kept his great object in view, aided but not fettered by formulas. When Freedom of Trade could be promoted by separate action, he was for separate action; when he thought it could be promoted by joint action with France, he was for joint action. If that joint action had not been shown to him to have consequences dangerous to Free Trade, he would have been the first to abandon it. If I hesitate about the policy and effect of the commercial treaties, it is certainly not "because they do not sound in tune with the verbal jingle of an abstract dogma." My doubts are very practical and concrete. I am afraid of being led into Retaliation. If it is true, as some of the thorough-going advocates of the treaty appear to think, that it is useless for us to abolish our duties on imports, unless foreign nations at the same time abolish their duties on our exports, Lord Salisbury's conclusion is inevitable—we must reimpose our own import duties, until we can get foreign nations to take off theirs. To controvert this conclusion is one of the principal objects of this work.

Cobden's
Views.

Real objec-
tion to the
Treaties,
that they
lead to Re-
taliation.

CONCLUSIONS OF PART II. AS TO RETALIATION.

Retalia-
tion is—

1. Impo-
tent.

To sum up : the conclusions to which the above reasoning leads us on the subject of Retaliation are as follow :—

1. Retaliation is an impotent weapon in our hands.

2. To lower foreign tariffs was not the sole or principal object of the authors of our present policy. They would have adopted that policy had they known that no foreign tariff would be lowered.

2. Un-
called for.

3. All duties are impediments to trade ; the fewer duties, the fewer impediments. We can remove our own duties ; we cannot remove our neighbours'.

4. No tariff is an absolute barrier ; and a free country has such advantages in production that it can compete with a Protectionist country, even for the home market of the latter.

5. Exports involve imports ; all Protectionist countries desire to export, and must therefore import. Where a Protectionist country exports to another country, the second country must pay in goods, if not directly to the Protectionist country, indirectly through some third country.

6. There are many free and many neutral markets, and in all of them a Free-trading country has advantages over a Protectionist rival.

7. Protection has not, so far as we can judge, advanced trade and manufacture in France, Germany, or the United States, but the reverse.

8. The trade of a country depends on many things besides Free Trade. Free Trade only removes impediments. What can be claimed for Free Trade is that a country is better with it than without it. The prosperity of the United States does not affect the question.

Some reasons have been given elsewhere for believing that the prosperity of the United States is at present rather seeming than real.

9. For the above reasons, there is no fear of our losing our market, and the case for Retaliation fails.

10. Retaliation must, in its immediate consequences, be injurious to ourselves.

11. Retaliation is calculated to defeat its own object, and to provoke further Retaliation.

3. Mischievous.

12. The Cobden treaty affords no ground whatever for Reciprocity or Retaliation.

The simplicity of the Free Trade position is obscured by the vastness and complexity of modern business. But it is in truth simple in the extreme. This book and much else which has been written on the subject is only an expansion of the following elementary truths :—

Summary of Free Trade doctrine.

1. Every man knows better what he wants to buy and sell than his Government can possibly know for him. He will buy and sell to the best advantage, if left free to buy and sell as he chooses.

Each man knows how to buy and sell better than his Government. Every one who buys sells at the same time. Buying and selling between different countries do not differ from buying and selling at home.

2. Everyone who buys sells at the same time. His purchase is really an exchange. The money he pays for the goods which he buys is really an order given to the seller for other goods. The more buying the more selling.

3. As regards dealings between inhabitants of the same street, the same village, the same town, the same country, no one thinks of disputing these truths. But they are just as true as regards dealings between inhabitants of different countries.

No one who is master of these simple and obvious truths will be misled by Protectionist sophisms.

FINAL CONCLUSIONS.

The proposals of the Fair Trade League, worthless as they may be in themselves, have afforded an opportunity for discussing points of some real interest, and for answering some questions which deserve an answer.

On the Colonial question it is impossible not to feel sympathy with the desire to draw closer the commercial bonds between ourselves and those growing communities of our own lineage and habits which it is England's greatest

New
Colonial
policy.
Object may
be good:
Means are
bad.

pride to have brought into existence. It has been the object of the first part of this paper to show that all the proposals which have been made for effecting this object by legislative means involve either restrictions on our trade with other countries, or restrictions on Colonial self-government; and that any such restrictions would tend to disruption, and not to closer union.

Govern-
ments can
check but
not create
Trade

The great fact is that Governments cannot create trade; they can only impede and injure it. They cannot divert it without diminishing it. When people talk of its being the duty of the Government to find markets for their people, what they mean is that the Government shall deprive their people of the markets which they find for themselves.

Retaliation
bad in
spirit as in
effect.

On the second great question which I have treated—viz. Retaliation—there can be no such sympathy. Retaliation appears to me to be the natural offspring of a state of mind which regards our gain as others' loss—a state of mind which is the hot-bed of Chauvinism, Imperialism, and Protection. A wave of feeling springing out of this state of mind has lately swept over us and over the world; and it is not surprising that it should bring with it a moderate revival of Protection in countries where protected interests rule the State, and a feeble attempt to revive it in our own. But the great tide sweeps on its course, and this is but an eddy in the stream. Time and circumstances are in its favour, and its main course is in one direction. Steam and telegraph have brought the nations of the world together; Prohibition has been succeeded by Protection, and Protection in many cases by Freedom; the limits of petty States have been enlarged into Customs Unions and Federations, which embrace whole continents. Men are being brought more and more together, and in so doing they help one another more and more. It is the misfortune of the state of mind to which I have referred that it fails to apprehend and appreciate that moral element in trade which gives to it its greatest value and significance—that element, namely, by virtue of which each act of trade is a good to both the parties to it, and each removal of a national restriction on trade is a good to all the nations concerned. It is "twice blessed. It blesseth him that gives

Hopeful,
tendencies.

and him that takes." It reconciles self-interest with morality—our duty to ourselves with our duty to our neighbour; and it thus brings the nations a little nearer to the distant ideal of the Christian moralist.

I cannot end this discussion better than with Cobden's own words :—

"I do not think the nations of the earth will have a chance of advancing morally in their domestic concerns to the degree of excellence which we sigh for until the international relations of the world are put upon a different footing. The present system corrupts society, exhausts its wealth, raises up false gods for hero-worship, and fixes before the eyes of the rising generation a spurious if a glittering standard of glory. It is because I believe that the principle of Free Trade is calculated to alter the relations of the world for the better, in a moral point of view, that I bless God that I have been allowed to take a prominent part in its advocacy."

CHAPTER LIII.

NOTES ON RECENT UTTERANCES.

IN the latest Protectionist pronouncements one looks in vain for some refutation of Free Trade argument, or for some new plea on behalf of Protective tariffs, but finds nothing more than a re-statement of the old fallacies, accompanied by extraordinarily loud beating of the Jingo drum, and a persistent distortion of statistics which, until the method was exposed, might certainly lay claim to ingenuity. The modern case, such as it is, for a reversal of Britain's Free Trade policy is most authoritatively set forth in Mr. Balfour's "Economic Notes on Insular Free Trade," "Mr. Chamberlain's Proposals" as described by Mr. Vince and prefaced by Mr. Chamberlain himself, and the speeches so far delivered by Mr. Chamberlain in the course of his "tearing, raging propaganda." In any of these there is scarcely an argument which was not put forward by some other Fair Trader or Protectionist in the revival of fiscal discussion occasioning the earlier editions of this book wherein it finds an answer, while Liberal speakers and newspapers have also torn all the Protectionist pleas to tatters; but there are a few points that perhaps should be commented upon here.

In Mr. Balfour's pamphlet two things are remarkable: first, that he calls himself a Free Trader and advocates Protection; second, that he wishes to alter a system under which, to quote his own words, "we see Britain hampered indeed by foreign tariffs, yet able, in spite of them, to carry on an export trade which, if it does not increase as we might wish, yet increases rather than diminishes, and an import trade of unexampled magnitude."

To this he might have added that our export trade is also of unexampled magnitude, even without the £90,000,000 of profits earned annually by our shipping—"invisible exports" for which we are paid in goods from abroad. Later on Mr. Balfour writes:—

"Judged by all available tests, both the total wealth and the diffused well-being of the country are greater than they have ever been. We are not only rich and prosperous in appearance, but also, I believe, in reality. I can find no evidence that we are 'living on our capital,' though in some respects we may be investing it badly. 'Why, then,' it is asked, 'do we trouble ourselves to disturb a system which has been so fruitful in happy results?'"

Why, indeed? Mr. Balfour "will not take up the challenge contained in the last phrase," but contents himself with advocating a small disturbance of the system by retaliation upon foreign countries, and by giving

his approval and blessing to Mr. Chamberlain, who leaves the Government in order to advocate a huge disturbance of it by putting a tax upon the people's food. This blessing, however, is contained not in the "Notes on Insular Free Trade," but in later letters and speeches; and the conclusion to which Mr. Balfour's economic considerations lead him is the old Fair Trade theory, exhaustively disproved by Lord Farrer, that by adopting a measure of Protection here we can bring about a measure of Free Trade in foreign countries. Mr. Balfour's reasoning should logically lead him further, since his admission that the United Kingdom under Free Trade is steadily advancing in wealth and prosperity has little weight with him; and, in fact, he has since clearly stated that only political and party reasons restrain him from attempting much higher Protective flights than are advocated in his pamphlet or embodied in his official policy.

Nowhere in "Insular Free Trade" is there anything definite to answer. Our attention is called to the fact that every year of insular Free Trade sees England more wealthy and more prosperous, and this in spite of other countries becoming more Protective; and yet we are asked to believe that England resembles an imaginary island which when all the rest of the world is Protectionist "would no longer be able to support its existing population; nor would any equilibrium be obtained until, at the cost of much suffering, it was reduced to the position of being self-sufficient—producing, that is to say, within its own area all that it consumed—however little soil, climate, and mineral resources lent themselves to such a policy." This state of things is the ideal of the thoroughgoing Protectionist, but, as Mr. Balfour is not thoroughgoing, he mildly urges us to do Protection that Free Trade may come of it.

The nebulosity, the spinelessness, the self-contradiction of Mr. Balfour's pamphlet, the "ifs" and "buts" with which it bristles, render refutation of its arguments as hopeless as it is unnecessary; but it shows very clearly how, in common with all Protectionists, the author hankers after and rejoices in monopoly—monopoly which enables the capitalist manufacturer to fleece the home consumer and sell to the foreigner below cost price. After describing the position of the Free Trade manufacturer, he writes: "Compare with it the position of his Protected rival, who controls his home markets. *He* is not haunted by the fear of over-production. If the home market slackens, compelling him, if he desires to maintain prices, to limit home supply, *he* is not driven like his less-favoured brother to attain this result by also limiting his output. . . ."

The italics above are without doubt italics of congratulation to the Protected manufacturer, who "can dispose of his surplus abroad at prices no doubt lower, often very much lower, than the prices which his quasi-monopoly enable him to obtain at home, but at prices which nevertheless make the double transaction, domestic and foreign, remunerative as a whole."

With quite remarkably frank cynicism Mr. Balfour goes on :—

“Why, it may be asked, is no similar policy open to the manufacturer in a Free Trade country? Because Free Trade makes it difficult for him to obtain control of his home markets ; and because, unless he has this control, it is difficult for him to fix two prices—a low foreign and a high domestic one. If he attempts it, he will be undersold in the home market by his rivals, or even, if the divergence of price exceed the double cost of carriage, by himself! His own goods will be reimported ; he will become his own most dangerous competitor.”

Here we have a clear admission of the fact that Protection raises price to the Protected consumer, even of things manufactured within his own country, while Mr. Chamberlain has the effrontery to maintain that it does not so much as raise the price of many things that are imported. And, further, we have here regret implied, if not expressed, that in England there is no Protective tariff enabling the manufacturer to establish a quasi-monopoly, to control his home market, to fix two prices—a low foreign and a high domestic one. Monopoly and high domestic prices are, on the authority of one of its minor prophets, among the blessings of Protection ! And the irony of the matter is that in Australia Protectionist newspapers and associations have been for years strenuously denying that Protection has any such effect. They were naturally pained and surprised when Mr. Balfour's unconsciously frank remarks were cabled to the Antipodes.

Into his short preface to the pamphlet, wherein Mr. Vince juggles with statistics and wallows in fallacies at considerable length, Mr. Chamberlain manages to introduce several statements entirely unsupported by fact, as, for instance, that “the prosperity of the working classes has increased in greater proportion in Protected countries than in the United Kingdom.” As a matter of fact, it is known to everyone moderately acquainted with our own history and that of the United States that the condition of the workman in the latter, the greatest of all Protectionist countries, is immensely worse than it was 60 years ago, and that the condition of the English workman is immensely better, while the statistics resulting from the late Government inquiry show that in the United Kingdom wages are much higher, hours of labour much shorter, and food much cheaper than in the Protected countries of Europe. Mr. Chamberlain shows that he knows this when he declares that British working men require Protection against competition from the pauper labour of Protected Europe.

Then, again, he writes that, “according to the Cobdenic idea, this country is at present doubly fortunate in that she enjoys Free Trade while all the other great States are Protectionist.” This is not the Cobdenic idea ; it never was so ; and only the colossal ignorance of fiscal history which Mr. Chamberlain has displayed in other statements makes it just possible in charity to believe him ignorant of the fact that all Free Traders

deplore the injury which foreign tariffs inflict upon the United Kingdom, while maintaining that they would be merely aggravated by our adoption of a Protective policy.

Mr. Chamberlain goes on to ask why a transfer of taxation from tea to bread should be disastrous, and concludes his preface with a modest panegyric on himself as one who has earned by strenuous endeavour in the past the right to resent the charge of neglecting the interests of the industrial population. Even if one makes the very large admission that Mr. Chamberlain's past political character has been exemplary, one can do no more than say with the prosecuting counsel, where the only plea for the defence was good character, "My Lord, we are quite ready to admit that this is the prisoner's first murder." One simple answer to the conundrum respecting taxation of bread and tea is that all taxes upon tea go into the public treasury, while a large portion of the taxes on bread—larger in proportion as the policy dictating them is successful—are wrung from the masses of the people and pocketed by private individuals in the United Kingdom or the Colonies.

Thus introduced, Mr. Vince explains the proposals. First and foremost they are to solve "the Imperial Problem"—there is "an opportunity of doing something definite, something practical, something permanent in the way of promoting that consolidation of the Empire which has so long been a theme of idle eloquence."

The idle eloquence at least did no harm. This attempt to put in practice a huckstering Imperialism, to "found an Empire on forbidden industries," is one which should have the ardent support of every little Englander, for, if it is successful, in a few years time England will have no Colonies unless she fights for them. Perhaps a merit of the policy is that when that time comes Englishmen will feel like fighting their Colonial brethren, for while the Colonials will be exasperated by the restrictions they may be persuaded to put upon their industrial development, dear food and suffering caused by foreign retaliation will re-use in the Englishman that war spirit which is so beloved of Chamberlainic Imperialism. He will not "take it lying down." At this very moment English labour papers with vast circulation and great influence are writing with the utmost bitterness of "our bankrupt Colonies," which Mr. Chamberlain would have them believe wish to batten on the Mother Country and grow rich on high prices for their bread and meat extorted from the British poor. An interesting comment this on the love and friendship between Mother Country and Colonies, which are to be fostered on dear bread and hatred of the foreigner! One Liberal speaker after another has scathingly denounced the fatuous, contemptible Imperialism which would substitute bonds and the spirit of money-grubbing for freedom and the sentiment of kinship as the links of Empire; and it will be strange indeed if it survive their ridicule, even though Mr. Vince so eloquently and characteristically

tells the nation that the "basis of sentiment and goodwill has been laid and strengthened," and begs it not to let the Colonists believe "that the blessed word Federation is mere idle talk, and that once more the Mother Country does not mean business." Goodwill, sentiment, and blessedness—all to end in business—such is the glorious Protectionist conception of Empire.

Putting sentiment and blessedness aside, however, consider merely some features of the "business" for whose consummation the Colonies are assumed to be pining. The Sugar Convention, which is of a piece with it, and under which in the interests of British sugar refiners and West Indian planters Russian sugar is shut out of the United Kingdom, has resulted in retaliation by Russia upon the tea of India and Ceylon, which is subjected to differential duties. Is this good business for the Empire? Is it likely to evoke spasms of affection and goodwill in our Indian dependencies? And we have not yet done with tea if Mr. Chamberlain is successful. He proposes to admit it duty free, in an attempt to make it appear that the cost of living will not be raised by taxing bread. If he does so, India and Ceylon will receive another heavy blow in the competition of cheap Chinese teas, upon which it is now not worth while to pay the duty. Perhaps, on the other hand, he may give preferential treatment to British-grown tea, in which case the British consumer will not get the full benefit of that reduction in price which is delusively promised. That is, if the duties are paid by the home consumer, and not, as Mr. Chamberlain maintains in the case of wheat, by the foreign exporter. Why tea is to be cheapened when duties are taken off, and bread is not to become dearer when duties are put on, Mr. Chamberlain does not deign to explain.

Mr. Vince, however, assumes for the sake of argument that bread will be raised in price by the amount of the duty—if its price were not increased, preferential treatment would be of no earthly use to the home and Colonial grower, who can sell all he raises at present prices—and on this assumption it is worth while to see how as a matter of business a preferential duty of 2s. per quarter on wheat would affect Australia.

When Australia has any surplus of wheat for export, the price not only of that surplus but of the amount locally consumed is absolutely fixed by London quotations. The price in Melbourne and Sydney is the London price less the cost of carriage to England, for the whole crop can find a market in London, and no less than they can get there will the holders take at home. In 1902 Australia exported to England 4,362,000 cwt. of wheat, upon which a 2s. per quarter duty would give the Australian farmers—or more frequently the middlemen—higher prices amounting to £102,000. In the same year a preferential tariff of 2s. per quarter would have added £730,000 to the cost of wheat locally consumed, this additional price being paid by the people of Australia—the people who are asked by

Mr. Chamberlain to make new industries taboo to their capital and labour in order to leave the field open to British manufacturers. Is this blessed and Empire-making business, that enables Australian farmers to screw £102,000 out of the British working man and £730,000 out of their own people on condition that the Australian working man, who has to pay the higher price, sacrifices a large measure of the Protection which, according to Mr. Chamberlain, provides him with wages and employment, and is the corner-stone of his prosperity? In Canada, where conditions are similar, the blessedness of this business is not recognised, and there has already been an indignant repudiation of Empire founded on "forbidden industries"; and even the small preference already given to British goods is grumbled at by Canadian manufacturers. In a manner which may or may not be pleasing to Mr. Chamberlain, Mr. Vince goes on to point out that there is nothing new in Mr. Chamberlain's proposals—that they filled the minds and mouths of Protectionists as far back as 1882—but he does not point out that Mr. Chamberlain was then one of their most effective and scornful opponents, nor yet that long before 1882, when England rejoiced in an enormous Protective tariff, there were complaints of foreign competition and the decay of British industry far better grounded than those we hear to-day. On February 19th, 1839, for instance, Mr. Villiers said in the House of Commons:—

"If our export trade has diminished or remained stationary, has the same been the case with other countries? We find, on the contrary, that the exports of France have increased 50 per cent., and those of the United States 75 per cent."

This complaint was quite borne out by the facts at that time. From 1770 to 1814 England had the monopoly of the cotton trade, but she had not maintained it. Our exports of cotton cloth to Germany were:—

| 1833. | 1834. | 1835. | 1836. | 1837. | 1838. |
|-------|-------|-------|-------|-------|--------------------|
| 29·5 | 11·0 | 10·0 | 7·6 | 5·8 | 5·5 million yards. |

Though the machinery and the hosiery trade in England had increased 10 per cent., the machinery in Saxony had doubled every six years. In 1815 we had the monopoly of the world in that trade. In 1838 England exported 447,000 dozen pairs of hose, while Saxony exported 1,500,000 dozen. Saxony was exporting to the United States alone more hosiery than England exported altogether, and Saxon hosiery was underselling English in England itself. One of the persons most extensively engaged in the woollen trade had stated that England had already suffered materially, and was threatened with still more serious injury from the competition of Continental rivals. In the hardware trade there were similar complaints.

The manufacturers of those days asked only for freedom. They got it. The Corn Laws were repealed, and their trade increased by leaps and bounds.

A little later in his pamphlet Mr. Vince states that Lord Farrer's work, to which he gives considerable attention, "contains an attack all along the lines of Imperialism." To Imperialism founded on a dear loaf and hatred of the foreigner, restriction of freedom within the British dominions and retaliation outside them, Lord Farrer was certainly vehemently opposed, but his attitude towards a sane and high-minded Imperialism can be judged from the following passages contained in the chapter on a "New Colonial Policy."

"The Free Trader will not yield to the Fair Trader or the Imperialist in national pride, in jealousy for British greatness, and in all that constitutes the glory of the British name and character; nay, he would be willing, where greater interests are at stake, to sacrifice to them some portion of material prosperity; but when restrictions on commercial liberty are proposed in the interests of material prosperity, he requires to have it proved that they will really promote that prosperity, and when they are proposed in the interests of Imperial relations with our Colonies, he desires to be assured that they will not strain and weaken those relations."

This is just the assurance which Mr. Chamberlain and his followers are unable to give. As Lord Farrer wrote: "Free Trade is of extreme importance, but freedom is still more important; and to force Free Trade on a free country is a breach of the fundamental principle which includes Free Trade." The Protectionist Colonies will not have Free Trade forced upon them. Mr. Chamberlain's proposal that they should restrict their manufacturing development for the benefit of British manufacturers has already occasioned a strong protest in Canada; and, on the other hand, the British Labour Press is bitterly denouncing the supposed desire of the Colonies to grow rich themselves by making living more difficult to the British poor. The Colonies have no such desire, it is true; but when the mere suspicion of it provokes bad feeling in England, how greatly would relations with the Colonies be strained and weakened by a policy which, whatever its motive, took thousands or millions annually from the pockets of the British masses and transferred them to the pockets of Colonial farmers.

In several other passages Mr. Vince attempts to confute the reasoning of Lord Farrer's book, and at most succeeds in pointing out alterations in the channels of trade already referred to in these notes, and sometimes in his endeavour to do this ventures on utterly untrue statements. He quotes, for instance, a passage to the effect that "our trade with the Colonies, instead of increasing twice as fast as our trade with foreign countries, has, in fact, just kept pace with it." Lord Farrer here referred to import and export trade taken together; so did Mr. Forster, with whose arguments Lord Farrer was dealing (see pp. 38 *et seq.*). The years compared were 1854 and 1882. Mr. Vince, wishing to prove that things have altered for the worse since 1882, calmly misstates the years to which Lord Farrer's state-

ment applied, making them 1872 and 1882. Now all Protectionists find the abnormal year 1872 so useful for giving plausibility to preposterous argument that they are obsessed by it; it is always in their thoughts, and probably Mr. Vince's error here was quite honest and accidental. It is, of course, possible also that he was merely careless and mistaken in giving the "exports of British and Irish produce and manufactures" as the equivalent of the total British import and export trade referred to by Lord Farrer and Mr. Forster; but the fact remains that by misquoting the things compared and the years for which the comparison was made he makes his invitation to "take advantage of the wider outlook which 20 years' more experience gives to our generation," result in the pleasing conclusion that "thus further experience has entirely overthrown the argument on which this great Free Trader based his opposition to Mr. Forster's Imperialism." If the figures had altered, it would in no way disprove Lord Farrer's argument—the undisputedly great increase in our Colonial trade shows that no preferential tariffs are needed to develop it—but, as a matter of fact, even the wider outlook which 20 years' more experience gives to our generation, provided it is not like Mr. Vince's outlook, absolutely wide of the mark, shows that "our trade with the Colonies, instead of increasing more than twice as fast as our trade with foreign countries, did, in fact, just keep pace with it." The figures will be found on p. 42.

Further on Mr. Vince endeavours to show that Lord Farrer was mistaken in believing Protection to check the progress of the United States and Germany. His manner of showing it is, of course, to concentrate attention on the increased export trade of these countries, entirely leaving out of account that the great increase in American exports has been coincident with the formation of trusts, which, as elsewhere shown, are raising prices and limiting employment in America, and that in Germany the years of greatest export have been years of acute business depression and general distress.

To comment on all the fallacious arguments used by Mr. Vince and Mr. Chamberlain would be to re-write this book, in which there is not one claim that does not find an answer. The main Protectionist arguments, indeed, are answered by the Protectionists themselves. Mr. Vince, for instance, declares that Free Trade has ruined the British farmer by reducing the price of his corn, and at the same time maintains that it has been cheapened by improved tillage and means of locomotion. "We owe cheap bread to mechanics, not to politics." This being so, he and Mr. Chamberlain invoke the aid of politics to defeat mechanics and make it dear again; and almost in the same breath as they advocate this artificial dearness they promise that the result of the corn duties will not be really dearness, but increased cheapness, through the rush of British and foreign farmers to obtain the high prices which they are tricked into expecting as

the result of a tariff against the foreigner. And even the tariff against the foreigner is to be used to trick the Colonies. They are asked to grow wheat and meat in huge quantities for the British market—a market liable at any time to be flooded with the wheat and meat of America when retaliation has had its predicted effect of inducing America to give freer entry to British goods, and American corn is once more admitted free. That retaliation will not have this effect matters nothing. Mr. Chamberlain and Mr. Balfour profess to think it will, and they calmly ask the Colonies to give up a measure of the Protection which is *ex hypothesi* so great a boon to them in return for an exclusive market which will be taken from them the moment that retaliation has done its work in benefiting, not the Colonies, but England. Not much loss to them, perhaps, since the delightful prospect is held out of competition among the Colonies so keen that it will give lower prices than the open market gives them now. Mr. Chamberlain's proposals are such a hopeless tangle of contradiction that no one thing seems clear concerning them beyond that in the "interests of Empire" they are designed to create ill-feeling between Englishmen and foreigners, in which they are sure of a full measure of success; and, further, that they will have the undesigned effect of occasioning sordid quarrels between England and her Colonies. As to what the effect of the duties proposed will be upon the prices of dutiable articles; as to how, if prices are not raised, the producers will be profited; as to how, if prices are raised, the consumers will avoid being damnified, study of the highest authorities leaves us hopelessly in the dark—as hopelessly so as they are. Lord Palmerston is reported to have once said in his Cabinet, "Now, gentlemen, is the effect of this tax to raise prices or lower them. I don't care a d—which it is to be; but do let us all agree to say the same thing." For the sake of the bewildered public, if not for their own sake, it is fervently to be hoped that Mr. Balfour, Mr. Vince, and Mr. Chamberlain will agree "all to say the same thing," or, if this be too much to ask, that they will individually make a practice of usually saying the same thing when they are asked whether food duties will increase or decrease the price of food.

APPENDIX.

TABLES.

Comparison of our Foreign and Colonial Trade.

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3. Statement of the Value of the Imports of Merchandise into the United Kingdom, and of the Amounts and Proportion from Foreign Countries and British Possessions respectively, in each of the Years from 1856 to 1902 inclusive p. 380.
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TABLE I.

Statement of the Value of the Exports of British and Irish Produce from the United Kingdom, and of the Amounts and Proportion Exported to Foreign Countries and British Possessions respectively, in each of the Years from 1856 to 1902 inclusive; in thousands of pounds, i.e., 100 = 100,000.

| Years. | Total Value of Exports of British and Irish Produce. | Exported to Foreign Countries only. | | Exported to British Possessions only. | |
|--------|--|-------------------------------------|---------------------|---------------------------------------|---------------------|
| | | Amount. | Per Cent. of Total. | Amount. | Per Cent. of Total. |
| | £ | £ | | £ | |
| 1856 | 115,827 | 82,527 | 71'2 | 33,300 | 28'8 |
| 1857 | 122,066 | 84,911 | 69'6 | 37,155 | 30'4 |
| 1858 | 116,609 | 76,386 | 65'5 | 40,223 | 34'5 |
| 1859 | 130,412 | 84,268 | 64'6 | 46,144 | 35'4 |
| 1860 | 135,891 | 92,226 | 67'9 | 43,665 | 32'1 |
| 1861 | 125,103 | 82,858 | 66'2 | 42,245 | 33'8 |
| 1862 | 123,992 | 82,097 | 66'2 | 41,895 | 33'8 |
| 1863 | 146,602 | 95,723 | 65'3 | 50,879 | 34'7 |
| 1864 | 160,449 | 108,735 | 67'8 | 51,714 | 32'2 |
| 1865 | 165,836 | 117,629 | 70'9 | 48,207 | 29'1 |
| 1866 | 158,917 | 135,198 | 71'6 | 53,719 | 28'4 |
| 1867 | 180,962 | 131,162 | 72'5 | 49,800 | 27'5 |
| 1868 | 179,678 | 129,813 | 72'2 | 49,865 | 27'8 |
| 1869 | 189,954 | 141,881 | 74'7 | 48,073 | 25'3 |
| 1870 | 199,587 | 147,773 | 74'0 | 51,814 | 26'0 |
| 1871 | 223,066 | 171,171 | 77'0 | 51,895 | 23'0 |
| 1872 | 256,257 | 195,701 | 76'4 | 60,556 | 23'6 |
| 1873 | 255,165 | 188,836 | 74'0 | 66,329 | 26'0 |
| 1874 | 239,558 | 167,278 | 69'8 | 72,280 | 30'2 |
| 1875 | 223,466 | 152,374 | 68'2 | 71,092 | 31'8 |
| 1876 | 200,639 | 135,780 | 67'7 | 64,859 | 32'3 |
| 1877 | 198,893 | 128,970 | 64'8 | 69,923 | 35'2 |
| 1878 | 192,849 | 126,611 | 65'7 | 66,238 | 34'3 |
| 1879 | 191,532 | 130,530 | 68'2 | 61,002 | 31'8 |
| 1880 | 223,060 | 147,806 | 66'3 | 75,254 | 33'7 |
| 1881 | 234,023 | 154,658 | 66'1 | 79,365 | 33'9 |
| 1882 | 241,407 | 156,641 | 64'9 | 84,766 | 35'1 |
| 1883 | 239,799 | 156,322 | 65'2 | 83,477 | 34'8 |
| 1884 | 233,025 | 152,149 | 65'3 | 80,876 | 34'7 |
| 1885 | 213,045 | 135,115 | 63'4 | 77,930 | 36'6 |
| 1886 | 212,432 | 136,926 | 64'4 | 75,506 | 35'6 |
| 1887 | 221,913 | 146,543 | 66'0 | 75,370 | 34'0 |
| 1888 | 234,534 | 150,293 | 64'1 | 84,241 | 35'9 |
| 1889 | 248,935 | 165,056 | 66'6 | 83,878 | 33'4 |
| 1890 | 263,530 | 176,160 | 66'8 | 87,370 | 33'2 |
| 1891 | 247,535 | 161,279 | 65'2 | 86,256 | 34'8 |
| 1892 | 227,216 | 152,467 | 67'1 | 74,748 | 32'9 |
| 1893 | 218,259 | 146,109 | 66'9 | 72,150 | 33'1 |
| 1894 | 216,005 | 143,217 | 66'3 | 72,788 | 33'7 |
| 1895 | 226,128 | 155,930 | 69'0 | 70,197 | 31'0 |
| 1896 | 240,145 | 156,008 | 65'0 | 84,136 | 35'0 |
| 1897 | 234,139 | 153,544 | 65'6 | 80,595 | 34'4 |
| 1898 | 233,359 | 149,032 | 64'3 | 84,326 | 35'7 |
| 1899 | 164,492 | 176,894 | 66'8 | 87,597 | 33'2 |
| 1900 | 291,191 | 196,812 | 67'6 | 94,379 | 32'4 |
| 1901 | 280,822 | 175,233 | 62'4 | 104,788 | 37'6 |
| 1902 | 283,423 | 174,395 | 61'2 | 109,028 | 38'8 |

TABLE II.

Statement of the Value of the Total Exports of British and Irish, and Foreign and Colonial Produce from the United Kingdom, and of the Amounts and Proportion Exported to Foreign Countries and British Possessions respectively, in each of the Years from 1856 to 1902 inclusive; in thousands of pounds, i.e., 100 = 100,000.

| Years. | Total Value of Exports. | Exported to Foreign Countries only. | | Exported to British Possessions only. | |
|--------|-------------------------|-------------------------------------|---------------------|---------------------------------------|---------------------|
| | | Amount. | Per Cent. of Total. | Amount. | Per Cent. of Total. |
| | £ | £ | | £ | |
| 1856 | 139,221 | 102,525 | 73·6 | 36,696 | 26·4 |
| 1857 | 146,174 | 105,733 | 72·3 | 40,436 | 27·7 |
| 1858 | 139,283 | 96,570 | 69·1 | 43,213 | 30·9 |
| 1859 | 155,693 | 106,042 | 68·1 | 49,651 | 31·9 |
| 1860 | 164,521 | 117,988 | 71·7 | 46,533 | 28·3 |
| 1861 | 159,632 | 114,493 | 71·7 | 45,139 | 28·3 |
| 1862 | 166,168 | 120,744 | 72·7 | 45,424 | 27·3 |
| 1863 | 196,902 | 141,932 | 72·1 | 54,970 | 27·9 |
| 1864 | 212,588 | 156,892 | 73·8 | 55,696 | 26·2 |
| 1865 | 218,832 | 167,285 | 76·4 | 51,547 | 23·6 |
| 1866 | 238,506 | 181,738 | 76·1 | 57,168 | 23·9 |
| 1867 | 225,802 | 172,440 | 76·4 | 53,362 | 23·6 |
| 1868 | 227,779 | 174,061 | 76·4 | 53,718 | 23·6 |
| 1869 | 237,015 | 185,123 | 78·1 | 51,892 | 21·9 |
| 1870 | 244,080 | 188,689 | 77·3 | 55,391 | 22·7 |
| 1871 | 283,575 | 228,014 | 80·4 | 55,561 | 19·6 |
| 1872 | 314,589 | 248,980 | 79·1 | 65,609 | 20·9 |
| 1873 | 311,005 | 239,857 | 77·1 | 71,148 | 22·9 |
| 1874 | 297,650 | 219,740 | 73·8 | 77,910 | 26·2 |
| 1875 | 281,612 | 204,957 | 72·8 | 76,655 | 27·2 |
| 1876 | 256,777 | 186,627 | 72·7 | 70,150 | 27·3 |
| 1877 | 252,346 | 176,594 | 70·0 | 75,752 | 30·0 |
| 1878 | 245,484 | 173,491 | 70·7 | 71,993 | 29·3 |
| 1879 | 248,783 | 182,274 | 73·3 | 66,509 | 26·7 |
| 1880 | 286,415 | 204,887 | 71·5 | 81,528 | 28·5 |
| 1881 | 297,083 | 210,402 | 70·8 | 86,681 | 29·2 |
| 1882 | 306,661 | 214,323 | 69·9 | 92,338 | 30·1 |
| 1883 | 305,437 | 215,036 | 70·4 | 90,401 | 29·6 |
| 1884 | 295,967 | 207,663 | 70·2 | 88,304 | 29·8 |
| 1885 | 271,403 | 185,979 | 68·5 | 85,424 | 31·5 |
| 1886 | 268,959 | 186,726 | 69·4 | 82,232 | 30·6 |
| 1887 | 281,262 | 198,992 | 70·8 | 82,270 | 29·2 |
| 1888 | 298,577 | 206,849 | 69·3 | 91,727 | 30·7 |
| 1889 | 315,592 | 224,756 | 71·2 | 90,836 | 28·8 |
| 1890 | 328,252 | 233,729 | 71·2 | 94,522 | 28·8 |
| 1891 | 309,113 | 215,775 | 69·8 | 93,338 | 30·2 |
| 1892 | 291,640 | 210,428 | 72·2 | 81,211 | 27·8 |
| 1893 | 277,133 | 198,554 | 71·7 | 78,583 | 28·3 |
| 1894 | 273,785 | 195,199 | 71·3 | 78,585 | 28·7 |
| 1895 | 285,832 | 209,760 | 73·4 | 76,072 | 26·6 |
| 1896 | 296,379 | 205,729 | 69·4 | 90,650 | 30·6 |
| 1897 | 294,174 | 207,209 | 70·4 | 86,964 | 29·6 |
| 1898 | 294,013 | 203,903 | 69·4 | 90,110 | 30·6 |
| 1899 | 329,534 | 235,285 | 71·4 | 94,249 | 28·6 |
| 1900 | 354,373 | 252,349 | 71·2 | 102,024 | 28·8 |
| 1901 | 347,864 | 234,745 | 67·5 | 113,118 | 32·5 |
| 1902 | 349,238 | 231,727 | 66·4 | 117,511 | 33·6 |

TABLE III.

Statement of the Value of the Imports of Merchandise into the United Kingdom, and of the Amounts and Proportion from Foreign Countries and British Possessions, respectively, in each of the Years from 1856 to 1902 inclusive; in thousands of pounds, i.e., 100 = 100,000.

| Years. | Total Value of Imports. | Imported from Foreign Countries only. | | Imported from British Possessions only. | |
|--------|-------------------------|---------------------------------------|---------------------|---|---------------------|
| | | Amount. | Per Cent. of Total. | Amount. | Per Cent. of Total. |
| | £ | £ | | £ | |
| 1856 | 172,544 | 123,517 | 75'1 | 43,027 | 24'9 |
| 1857 | 187,844 | 141,691 | 75'4 | 46,183 | 24'6 |
| 1858 | 164,584 | 125,970 | 76'5 | 38,614 | 23'5 |
| 1859 | 179,182 | 139,707 | 78'0 | 39,475 | 22'0 |
| 1860 | 210,531 | 167,571 | 79'6 | 42,960 | 20'4 |
| 1861 | 217,485 | 164,809 | 75'8 | 52,676 | 24'2 |
| 1862 | 225,717 | 160,434 | 71'1 | 65,283 | 28'9 |
| 1863 | 248,919 | 164,235 | 66'0 | 84,684 | 34'0 |
| 1864 | 274,952 | 181,208 | 65'9 | 93,744 | 34'1 |
| 1865 | 271,072 | 198,231 | 73'1 | 72,841 | 26'9 |
| 1866 | 295,297 | 223,084 | 75'5 | 72,206 | 24'5 |
| 1867 | 275,183 | 214,449 | 77'9 | 60,734 | 22'1 |
| 1868 | 294,694 | 227,700 | 77'3 | 66,994 | 22'7 |
| 1869 | 295,460 | 225,044 | 76'2 | 70,416 | 23'8 |
| 1870 | 303,257 | 238,425 | 78'6 | 64,832 | 21'4 |
| 1871 | 331,015 | 258,071 | 78'0 | 72,944 | 22'0 |
| 1872 | 354,694 | 275,311 | 77'6 | 79,373 | 22'4 |
| 1873 | 371,287 | 293,277 | 78'2 | 81,010 | 21'8 |
| 1874 | 379,083 | 287,920 | 77'8 | 82,163 | 22'2 |
| 1875 | 373,940 | 289,516 | 77'4 | 84,424 | 22'6 |
| 1876 | 375,155 | 290,822 | 77'5 | 84,333 | 22'5 |
| 1877 | 394,420 | 304,866 | 77'3 | 89,554 | 22'7 |
| 1878 | 361,771 | 290,835 | 78'0 | 77,936 | 21'1 |
| 1879 | 362,992 | 284,049 | 78'3 | 78,943 | 21'7 |
| 1880 | 411,230 | 318,711 | 77'5 | 92,519 | 22'5 |
| 1881 | 397,023 | 305,483 | 76'9 | 91,540 | 23'1 |
| 1882 | 413,020 | 313,589 | 75'9 | 99,431 | 24'1 |
| 1883 | 426,892 | 328,210 | 76'9 | 98,682 | 23'1 |
| 1884 | 390,019 | 294,206 | 75'4 | 95,813 | 24'6 |
| 1885 | 370,963 | 286,566 | 77'2 | 84,402 | 22'8 |
| 1886 | 349,863 | 267,979 | 76'6 | 81,884 | 23'4 |
| 1887 | 312,227 | 278,428 | 76'9 | 83,758 | 23'1 |
| 1888 | 387,635 | 300,720 | 77'6 | 86,915 | 22'4 |
| 1889 | 427,037 | 330,371 | 77'3 | 97,266 | 22'7 |
| 1890 | 420,691 | 324,530 | 77'1 | 96,161 | 22'9 |
| 1891 | 435,441 | 335,976 | 77'2 | 99,464 | 22'8 |
| 1892 | 423,793 | 326,027 | 77'0 | 97,766 | 23'0 |
| 1893 | 404,688 | 312,918 | 77'3 | 91,769 | 22'7 |
| 1894 | 408,344 | 314,432 | 77'0 | 93,912 | 23'0 |
| 1895 | 416,683 | 321,159 | 77'1 | 95,530 | 22'9 |
| 1896 | 441,808 | 348,600 | 78'9 | 93,208 | 21'1 |
| 1897 | 451,028 | 357,001 | 79'1 | 94,027 | 20'9 |
| 1898 | 470,544 | 370,921 | 78'8 | 99,623 | 21'2 |
| 1899 | 485,035 | 378,206 | 78'0 | 106,829 | 22'0 |
| 1900 | 523,075 | 413,544 | 79'1 | 109,530 | 20'9 |
| 1901 | 521,990 | 416,416 | 79'8 | 105,573 | 20'2 |
| 1902 | 528,391 | 421,598 | 79'8 | 106,793 | 20'2 |

TABLE IV.

Statement of the Total Value of Imports and Exports of Merchandise into and from the United Kingdom, and of the Amounts and Proportion from and to Foreign Countries and British Possessions, in each of the Years from 1856 to 1902 inclusive; in thousands of pounds, i.e., 100 = 100,000.

| Years. | Total Value of Imports and Exports. | Total Value Imported from, and Exported to, Foreign Countries only. | | Total Value Imported from, and Exported to, British Possessions only. | |
|--------|-------------------------------------|---|---------------------|---|---------------------|
| | | Amount. | Per Cent. of Total. | Amount. | Per Cent. of Total. |
| | £ | £ | % | £ | % |
| 1856 | 311,765 | 232,042 | 74'4 | 79,723 | 25'6 |
| 1857 | 334,018 | 247,399 | 74'1 | 86,619 | 25'9 |
| 1858 | 304,367 | 222,540 | 73'1 | 81,827 | 26'9 |
| 1859 | 334,875 | 245,749 | 73'4 | 89,126 | 26'6 |
| 1860 | 375,052 | 285,559 | 76'1 | 89,493 | 23'9 |
| 1861 | 377,117 | 279,302 | 74'1 | 97,815 | 25'9 |
| 1862 | 391,885 | 281,178 | 71'8 | 110,707 | 28'2 |
| 1863 | 445,821 | 306,167 | 68'7 | 139,654 | 31'3 |
| 1864 | 487,540 | 338,100 | 69'3 | 149,440 | 30'7 |
| 1865 | 489,904 | 365,516 | 74'6 | 124,388 | 25'4 |
| 1866 | 534,196 | 404,822 | 75'8 | 129,374 | 24'2 |
| 1867 | 500,985 | 386,889 | 77'2 | 114,096 | 22'8 |
| 1868 | 522,473 | 401,761 | 76'9 | 120,712 | 23'1 |
| 1869 | 532,475 | 410,167 | 77'0 | 122,308 | 23'0 |
| 1870 | 547,337 | 427,114 | 78'0 | 120,223 | 22'0 |
| 1871 | 614,590 | 486,085 | 79'1 | 128,505 | 20'9 |
| 1872 | 660,283 | 524,301 | 78'3 | 144,982 | 21'7 |
| 1873 | 682,292 | 530,134 | 77'7 | 152,158 | 22'3 |
| 1874 | 667,733 | 507,660 | 76'0 | 160,073 | 24'0 |
| 1875 | 655,551 | 494,473 | 75'4 | 161,079 | 24'6 |
| 1876 | 631,932 | 477,449 | 75'6 | 154,483 | 24'4 |
| 1877 | 646,766 | 481,460 | 74'4 | 165,306 | 25'6 |
| 1878 | 614,255 | 464,326 | 75'6 | 149,929 | 24'4 |
| 1879 | 611,775 | 466,323 | 76'2 | 145,452 | 23'8 |
| 1880 | 697,645 | 523,598 | 75'1 | 174,047 | 24'9 |
| 1881 | 694,106 | 515,885 | 74'3 | 178,221 | 25'7 |
| 1882 | 719,681 | 527,912 | 73'3 | 191,769 | 26'7 |
| 1883 | 732,329 | 543,246 | 74'2 | 189,083 | 25'8 |
| 1884 | 685,986 | 501,869 | 73'2 | 184,117 | 26'8 |
| 1885 | 642,371 | 472,545 | 73'6 | 169,826 | 26'4 |
| 1886 | 618,822 | 454,705 | 73'5 | 164,116 | 26'5 |
| 1887 | 643,490 | 477,422 | 74'2 | 166,068 | 25'8 |
| 1888 | 686,213 | 507,570 | 74'0 | 178,643 | 26'0 |
| 1889 | 743,230 | 555,128 | 74'7 | 188,102 | 25'3 |
| 1890 | 748,944 | 558,261 | 74'5 | 190,683 | 25'5 |
| 1891 | 744,544 | 551,752 | 74'0 | 192,802 | 26'0 |
| 1892 | 715,434 | 536,457 | 75'0 | 178,977 | 25'0 |
| 1893 | 681,826 | 511,474 | 75'0 | 170,352 | 25'0 |
| 1894 | 682,130 | 509,632 | 74'7 | 172,498 | 25'3 |
| 1895 | 702,522 | 530,920 | 75'6 | 171,602 | 24'4 |
| 1896 | 738,188 | 554,330 | 75'1 | 183,858 | 24'9 |
| 1897 | 745,203 | 504,211 | 75'7 | 180,992 | 24'3 |
| 1898 | 764,558 | 571,825 | 75'2 | 189,733 | 24'8 |
| 1899 | 814,570 | 613,492 | 75'3 | 201,078 | 24'7 |
| 1900 | 877,448 | 665,894 | 75'9 | 211,554 | 24'1 |
| 1901 | 869,854 | 651,162 | 74'8 | 218,692 | 25'2 |
| 1902 | 877,619 | 653,325 | 74'4 | 224,304 | 25'6 |

TABLE V.

Statement in Detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions, in each Year and Period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole Exports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for years subsequent to 1880 stated in millions.

A.—FOREIGN COUNTRIES.

| | RUSSIA. | | | | GERMANY. | | | | HOLLAND. | | | | BELGIUM. | | | |
|--------------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|----------|---------------------|--|-----------------------------|----------|---------------------|--|-----------------------------|---------|---------------------|
| | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | |
| | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. |
| 1866 | £ 3,739 | £ 3,777 | £ 6,916 | 2.9 | £ 9,337 | £ 15,768 | £ 25,105 | 10.5 | £ 5,838 | £ 9,000 | £ 14,838 | 6.2 | £ 3,021 | £ 2,862 | £ 5,883 | 2.8 |
| 1867 | 3,307 | 3,944 | 7,251 | 3.2 | 9,325 | 20,543 | 29,868 | 13.2 | 5,526 | 9,423 | 14,949 | 6.6 | 4,565 | 2,816 | 7,381 | 3.3 |
| 1868 | 2,957 | 4,250 | 7,207 | 3.2 | 9,536 | 22,774 | 32,310 | 14.2 | 6,304 | 10,395 | 16,699 | 7.3 | 5,246 | 3,150 | 8,396 | 3.7 |
| 1869 | 3,189 | 6,405 | 9,594 | 4.1 | 9,230 | 22,842 | 32,072 | 14.2 | 6,623 | 10,760 | 17,383 | 7.3 | 4,909 | 4,004 | 8,913 | 3.8 |
| 1870 | 3,079 | 6,992 | 10,071 | 4.1 | 7,650 | 20,416 | 28,066 | 11.5 | 6,083 | 11,221 | 17,304 | 7.1 | 4,468 | 4,481 | 8,949 | 3.7 |
| Total for the Five Years | 16,271 | 24,828 | 41,099 | 3.5 | 45,078 | 102,343 | 147,421 | 12.6 | 30,414 | 50,799 | 81,213 | 6.9 | 23,109 | 17,313 | 40,422 | 3.4 |
| 1871 | 3,348 | 6,584 | 9,932 | 3.5 | 11,060 | 27,434 | 38,494 | 13.6 | 7,995 | 14,104 | 22,099 | 7.8 | 6,599 | 6,217 | 12,816 | 4.5 |
| 1872 | 2,860 | 6,609 | 9,469 | 3.0 | 11,531 | 31,619 | 43,150 | 13.7 | 8,124 | 16,212 | 24,336 | 7.7 | 6,601 | 6,499 | 13,100 | 4.2 |
| 1873 | 2,547 | 8,998 | 11,545 | 3.7 | 9,439 | 27,270 | 36,709 | 11.8 | 7,832 | 16,746 | 24,578 | 7.9 | 7,030 | 7,201 | 14,231 | 4.6 |
| 1874 | 3,288 | 8,777 | 11,865 | 4.0 | 10,328 | 24,800 | 35,128 | 11.8 | 8,863 | 14,427 | 21,290 | 7.2 | 6,825 | 5,828 | 12,653 | 4.3 |
| 1875 | 3,286 | 8,660 | 11,346 | 4.0 | 10,834 | 23,288 | 34,122 | 12.1 | 6,995 | 13,119 | 20,114 | 7.1 | 8,013 | 5,782 | 13,795 | 4.9 |
| Total for the Five Years | 15,129 | 39,028 | 54,157 | 3.6 | 53,192 | 134,411 | 187,603 | 12.6 | 37,809 | 74,668 | 112,477 | 7.6 | 35,068 | 31,527 | 66,595 | 4.5 |
| 1876 | 2,453 | 6,183 | 8,636 | 3.4 | 9,653 | 20,582 | 29,735 | 11.6 | 6,931 | 11,777 | 18,708 | 7.3 | 6,961 | 5,875 | 12,836 | 5.0 |
| 1877 | 2,005 | 4,179 | 6,244 | 2.5 | 9,308 | 19,042 | 28,950 | 11.9 | 6,419 | 9,614 | 16,033 | 6.0 | 5,829 | 5,304 | 11,133 | 4.7 |
| 1878 | 2,000 | 6,559 | 9,459 | 3.9 | 9,713 | 19,457 | 29,170 | 11.9 | 5,373 | 9,303 | 14,676 | 6.0 | 5,829 | 5,326 | 11,155 | 4.6 |
| 1879 | 2,902 | 7,645 | 10,607 | 4.3 | 11,032 | 18,592 | 29,624 | 11.9 | 6,353 | 15,453 | 21,806 | 8.8 | 6,781 | 5,106 | 11,887 | 4.8 |
| 1880 | 3,016 | 7,952 | 10,968 | 3.8 | 12,112 | 16,944 | 29,056 | 10.1 | 6,407 | 9,247 | 15,654 | 5.5 | 7,191 | 5,796 | 12,987 | 4.5 |
| Total for the Five Years | 13,396 | 32,518 | 45,914 | 3.6 | 51,818 | 94,717 | 146,535 | 11.4 | 31,230 | 49,594 | 80,824 | 6.2 | 33,218 | 27,607 | 60,825 | 4.7 |

| | RUSSIA. | | | | GERMANY. | | | | HOLLAND. | | | | BELGIUM. | | | |
|--------------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|
| | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | |
| | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. |
| 1881 | £ 3'1 | 3'1 | £ 9'3 | 3'1 | £ 11'9 | 11'9 | £ 17'4 | 29'3 | £ 6'4 | 8'9 | £ 15'3 | 5'1 | £ 6'4 | 7'1 | £ 13'5 | 4'6 |
| 1882 | 2'8 | 2'8 | 8'6 | 2'8 | 12'0 | 12'0 | 18'5 | 30'5 | 6'9 | 9'4 | 16'3 | 5'3 | 7'0 | 8'1 | 15'1 | 4'9 |
| 1883 | 2'6 | 2'5 | 7'6 | 2'5 | 13'0 | 13'0 | 18'8 | 31'8 | 6'4 | 9'5 | 15'9 | 5'2 | 6'4 | 8'3 | 14'7 | 4'8 |
| 1884 | 2'6 | 2'5 | 7'6 | 2'5 | 12'1 | 12'1 | 18'7 | 30'8 | 8'0 | 10'2 | 18'2 | 6'2 | 6'3 | 8'5 | 14'8 | 5'0 |
| 1885 | 2'0 | 2'3 | 6'2 | 2'3 | 10'6 | 10'6 | 16'4 | 27'0 | 7'0 | 8'8 | 15'8 | 5'8 | 6'1 | 7'8 | 13'9 | 5'1 |
| Total for the Five Years | 13'1 | 2'7 | 39'3 | 2'7 | 59'6 | 59'6 | 89'8 | 149'4 | 34'7 | 46'8 | 81'5 | 5'5 | 32'2 | 39'8 | 72'0 | 4'9 |
| 1886 | 2'0 | 2'4 | 6'4 | 2'4 | 10'6 | 10'6 | 15'7 | 26'3 | 6'8 | 8'2 | 15'0 | 5'6 | 5'1 | 7'2 | 12'3 | 4'5 |
| 1887 | 2'7 | 2'4 | 6'0 | 2'4 | 11'5 | 11'5 | 15'7 | 27'2 | 6'8 | 8'2 | 15'0 | 5'4 | 6'3 | 6'9 | 13'2 | 4'7 |
| 1888 | 2'0 | 2'6 | 7'7 | 2'6 | 11'6 | 11'6 | 15'8 | 27'4 | 6'4 | 8'5 | 14'9 | 5'0 | 6'2 | 6'8 | 13'0 | 4'4 |
| 1889 | 3'3 | 2'6 | 8'6 | 2'6 | 12'8 | 12'8 | 18'5 | 31'3 | 6'5 | 9'7 | 16'2 | 5'1 | 6'5 | 7'2 | 13'7 | 4'3 |
| 1890 | 3'1 | 2'7 | 8'8 | 2'7 | 11'2 | 11'2 | 19'3 | 30'5 | 6'3 | 10'1 | 16'4 | 5'0 | 6'0 | 7'6 | 13'6 | 4'1 |
| Total for the Five Years | 14'0 | 2'6 | 38'4 | 2'6 | 57'7 | 57'7 | 85'0 | 142'7 | 32'8 | 44'7 | 77'5 | 5'2 | 30'1 | 35'7 | 65'8 | 4'4 |
| 1891 | 2'8 | 2'7 | 8'2 | 2'7 | 11'1 | 11'1 | 18'8 | 29'9 | 5'5 | 8'8 | 15'0 | 4'9 | 5'9 | 7'4 | 13'3 | 4'3 |
| 1892 | 3'5 | 3'0 | 8'9 | 3'0 | 12'0 | 12'0 | 17'6 | 29'6 | 6'8 | 8'8 | 15'6 | 5'3 | 5'9 | 6'9 | 12'8 | 4'4 |
| 1893 | 4'0 | 3'7 | 10'4 | 3'7 | 10'3 | 10'3 | 17'7 | 28'0 | 6'5 | 9'2 | 15'7 | 5'7 | 5'9 | 7'1 | 13'0 | 4'7 |
| 1894 | 4'6 | 4'2 | 11'5 | 4'2 | 11'4 | 11'4 | 17'8 | 29'2 | 5'1 | 8'8 | 13'9 | 5'1 | 5'4 | 7'6 | 13'0 | 4'7 |
| 1895 | 3'7 | 3'7 | 10'7 | 3'7 | 12'1 | 12'1 | 20'6 | 32'7 | 3'9 | 7'4 | 11'3 | 3'9 | 4'6 | 7'3 | 11'9 | 4'2 |
| Total for the Five Years | 18'6 | 3'5 | 49'7 | 3'5 | 56'9 | 56'9 | 92'5 | 149'4 | 27'8 | 43'7 | 71'5 | 5'0 | 27'7 | 36'3 | 64'0 | 4'5 |
| 1896 | 4'2 | 3'9 | 11'4 | 3'9 | 11'7 | 11'7 | 22'3 | 34'0 | 4'0 | 8'3 | 12'3 | 4'2 | 4'5 | 7'8 | 12'3 | 4'2 |
| 1897 | 4'4 | 4'0 | 11'9 | 4'0 | 10'4 | 10'4 | 21'6 | 32'0 | 4'4 | 8'9 | 13'3 | 4'5 | 4'6 | 8'2 | 12'8 | 4'3 |
| 1898 | 5'0 | 4'8 | 14'2 | 4'8 | 10'8 | 10'8 | 22'5 | 33'3 | 4'4 | 8'6 | 13'0 | 4'5 | 5'0 | 8'8 | 13'8 | 4'8 |
| 1899 | 4'4 | 4'9 | 16'1 | 4'9 | 12'0 | 12'0 | 26'0 | 38'0 | 4'6 | 9'4 | 14'0 | 4'3 | 4'8 | 9'8 | 14'6 | 4'4 |
| 1900 | 5'4 | 4'6 | 16'4 | 4'6 | 10'5 | 10'5 | 28'0 | 38'5 | 4'0 | 10'9 | 14'9 | 4'2 | 4'1 | 10'8 | 14'9 | 4'2 |
| Total for the Five Years | 23'4 | 4'5 | 70'0 | 4'5 | 55'4 | 55'4 | 120'4 | 175'8 | 21'4 | 46'1 | 67'5 | 4'3 | 23'0 | 45'4 | 68'4 | 4'4 |
| 1901 | 5'5 | 4'1 | 14'2 | 4'1 | 10'6 | 10'6 | 21'6 | 34'2 | 4'6 | 9'1 | 13'7 | 4'0 | 4'5 | 8'1 | 12'6 | 3'6 |
| 1902 | 5'3 | 4'0 | 13'9 | 4'0 | 10'2 | 10'2 | 22'9 | 33'1 | 4'6 | 8'5 | 13'1 | 3'7 | 4'2 | 8'4 | 12'6 | 3'6 |
| Grand Total | 124'7 | 3'5 | 366'6 | 3'5 | 400'5 | 400'5 | 765'7 | 1166'2 | 225'3 | 363'6 | 588'9 | 5'5 | 213'1 | 250'1 | 463'2 | 4'3 |

TABLE V. (continued).

Statement in detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions, in each Year and Period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole Exports in each Year and Period: the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for years subsequent to 1880 stated in millions.

A.—FOREIGN COUNTRIES (continued).

| | FRANCE. | | | | ITALY. | | | | TURKEY.* | | | | EGYPT. † | | | |
|--------------------------|--|-----------------------------|---------------------|----------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------------------|---------|--|-----------------------------|---------|---------------------|
| | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | |
| | Amount. | Amount. | Per cent. of Total. | Amount. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Amount. | Per cent. of Total. | Amount. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. |
| 1866 | £ 14,897 | £ 11,700 | 11.1 | £ 26,597 | £ 5,833 | 2.9 | £ 6,921 | 2.9 | £ 170 | £ 7,905 | 3.4 | £ 8,075 | £ 103 | £ 7,556 | 3.2 | £ 7,659 |
| 1867 | 10,901 | 12,121 | 10.2 | 23,022 | 4,881 | 2.6 | 5,805 | 2.6 | 267 | 6,626 | 3.1 | 6,893 | 173 | 8,198 | 3.7 | 8,371 |
| 1868 | 12,861 | 10,653 | 10.3 | 23,514 | 5,017 | 2.6 | 5,969 | 2.6 | 296 | 7,557 | 3.4 | 7,853 | 108 | 6,956 | 2.7 | 7,164 |
| 1869 | 11,839 | 11,438 | 9.8 | 23,277 | 6,162 | 3.1 | 7,240 | 3.1 | 360 | 6,938 | 3.1 | 7,298 | 90 | 7,983 | 3.4 | 8,073 |
| 1870 | 10,340 | 11,643 | 9.0 | 21,983 | 5,272 | 2.6 | 6,293 | 2.6 | 369 | 7,108 | 3.1 | 7,477 | 102 | 8,127 | 3.0 | 8,229 |
| Total for the Five Years | 60,838 | 57,555 | 10.1 | 118,393 | 27,165 | 2.8 | 32,318 | 2.8 | 1,482 | 36,114 | 3.2 | 37,596 | 576 | 38,520 | 3.3 | 39,096 |
| 1871 | 15,182 | 18,206 | 11.8 | 33,388 | 6,295 | 2.7 | 7,666 | 2.7 | 448 | 5,997 | 2.3 | 6,445 | 86 | 7,039 | 2.5 | 7,125 |
| 1872 | 11,023 | 17,209 | 9.0 | 28,292 | 6,558 | 2.5 | 7,716 | 2.5 | 531 | 7,639 | 2.6 | 8,170 | 95 | 7,213 | 2.3 | 7,308 |
| 1873 | 12,904 | 17,202 | 9.7 | 30,106 | 7,128 | 2.6 | 8,572 | 2.6 | 387 | 7,733 | 2.6 | 8,120 | 101 | 6,222 | 2.0 | 6,323 |
| 1874 | 13,019 | 16,370 | 9.9 | 29,389 | 6,370 | 2.6 | 7,764 | 2.6 | 459 | 7,038 | 2.5 | 7,497 | 89 | 3,585 | 1.2 | 3,674 |
| 1875 | 11,935 | 15,357 | 9.7 | 27,292 | 6,767 | 2.9 | 8,170 | 2.9 | 457 | 5,890 | 2.3 | 6,347 | 90 | 2,946 | 1.1 | 3,036 |
| Total for the Five Years | 64,063 | 84,494 | 10.0 | 148,557 | 33,434 | 2.7 | 39,888 | 2.7 | 2,282 | 34,297 | 2.5 | 36,579 | 461 | 27,095 | 1.8 | 27,466 |
| 1876 | 12,914 | 16,086 | 11.3 | 29,000 | 6,689 | 3.2 | 8,129 | 3.2 | 457 | 5,923 | 2.5 | 6,380 | 57 | 2,630 | 1.0 | 2,687 |
| 1877 | 11,431 | 14,233 | 10.2 | 25,664 | 6,219 | 2.9 | 7,350 | 2.9 | 380 | 5,695 | 2.4 | 6,005 | 54 | 2,273 | 0.9 | 2,327 |
| 1878 | 11,771 | 14,825 | 10.8 | 26,596 | 5,364 | 2.6 | 6,445 | 2.6 | 554 | 7,748 | 3.4 | 8,302 | 70 | 2,194 | 0.9 | 2,264 |
| 1879 | 11,569 | 14,969 | 10.7 | 26,538 | 4,984 | 2.4 | 6,040 | 2.4 | 498 | 7,268 | 3.1 | 7,766 | 64 | 2,144 | 0.9 | 2,208 |
| 1880 | 12,397 | 15,594 | 9.8 | 27,991 | 5,433 | 2.2 | 6,333 | 2.2 | 474 | 6,766 | 2.5 | 7,240 | 114 | 3,061 | 1.1 | 3,175 |
| Total for the Five Years | 60,082 | 75,727 | 10.5 | 135,809 | 28,689 | 2.7 | 34,297 | 2.7 | 2,363 | 33,270 | 2.8 | 35,633 | 359 | 12,302 | 1.0 | 12,661 |

APPENDIX.

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| FRANCE. | | | | ITALY. | | | | TURKEY.* | | | | EGYPT.† | | | |
|--------------------------|--|-----------------------------|---------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|
| | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | Per cent. of Total. | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | Per cent. of Total. | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | Per cent. of Total. |
| | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. | Amount. |
| 1881 | 13'1 | 17'0 | 30'1 | 10'1 | 10'1 | 20'2 | 25 | 10'1 | 10'1 | 20'2 | 25 | 10'1 | 10'1 | 20'2 | 25 |
| 1882 | 12'3 | 17'4 | 29'7 | 9'7 | 10'1 | 19'8 | 24 | 9'7 | 10'1 | 19'8 | 24 | 9'7 | 10'1 | 19'8 | 24 |
| 1883 | 11'8 | 17'6 | 29'4 | 9'6 | 10'1 | 19'7 | 27 | 9'6 | 10'1 | 19'7 | 27 | 9'6 | 10'1 | 19'7 | 27 |
| 1884 | 9'6 | 16'7 | 26'3 | 8'9 | 11'1 | 20'0 | 27 | 8'9 | 11'1 | 20'0 | 27 | 8'9 | 11'1 | 20'0 | 27 |
| 1885 | 8'0 | 15'0 | 23'0 | 8'5 | 0'8 | 7'4 | 27 | 8'5 | 0'8 | 7'4 | 27 | 8'5 | 0'8 | 7'4 | 27 |
| Total for the Five Years | 54'8 | 83'7 | 138'5 | 9'4 | 33'8 | 38'7 | 26 | 9'4 | 33'8 | 38'7 | 26 | 9'4 | 33'8 | 38'7 | 26 |
| 1886 | 6'7 | 13'6 | 20'3 | 7'6 | 6'1 | 7'1 | 26 | 7'6 | 6'1 | 7'1 | 26 | 7'6 | 6'1 | 7'1 | 26 |
| 1887 | 6'8 | 13'7 | 20'5 | 7'3 | 7'8 | 8'6 | 31 | 7'3 | 7'8 | 8'6 | 31 | 7'3 | 7'8 | 8'6 | 31 |
| 1888 | 9'3 | 14'9 | 24'2 | 8'1 | 5'8 | 6'6 | 22 | 8'1 | 5'8 | 6'6 | 22 | 8'1 | 5'8 | 6'6 | 22 |
| 1889 | 7'5 | 14'7 | 22'2 | 7'1 | 7'2 | 8'1 | 26 | 7'1 | 7'2 | 8'1 | 26 | 7'1 | 7'2 | 8'1 | 26 |
| 1890 | 8'1 | 16'6 | 24'7 | 7'5 | 7'7 | 8'5 | 26 | 7'5 | 7'7 | 8'5 | 26 | 7'5 | 7'7 | 8'5 | 26 |
| Total for the Five Years | 38'5 | 73'5 | 111'9 | 7'5 | 34'6 | 38'8 | 26 | 7'5 | 34'6 | 38'8 | 26 | 7'5 | 34'6 | 38'8 | 26 |
| 1891 | 7'9 | 16'4 | 24'3 | 7'9 | 6'3 | 6'9 | 22 | 7'9 | 6'3 | 6'9 | 22 | 7'9 | 6'3 | 6'9 | 22 |
| 1892 | 6'6 | 14'7 | 21'3 | 7'3 | 5'6 | 6'3 | 22 | 7'3 | 5'6 | 6'3 | 22 | 7'3 | 5'6 | 6'3 | 22 |
| 1893 | 6'4 | 13'4 | 19'8 | 7'1 | 5'2 | 6'0 | 22 | 7'1 | 5'2 | 6'0 | 22 | 7'1 | 5'2 | 6'0 | 22 |
| 1894 | 6'2 | 13'3 | 19'7 | 7'2 | 5'6 | 6'2 | 23 | 7'2 | 5'6 | 6'2 | 23 | 7'2 | 5'6 | 6'2 | 23 |
| 1895 | 6'4 | 13'9 | 20'3 | 7'1 | 5'5 | 6'2 | 22 | 7'1 | 5'5 | 6'2 | 22 | 7'1 | 5'5 | 6'2 | 22 |
| Total for the Five Years | 33'5 | 71'9 | 105'4 | 7'3 | 28'2 | 31'6 | 22 | 7'3 | 28'2 | 31'6 | 22 | 7'3 | 28'2 | 31'6 | 22 |
| 1896 | 6'5 | 14'2 | 20'7 | 7'0 | 5'4 | 5'9 | 20 | 7'0 | 5'4 | 5'9 | 20 | 7'0 | 5'4 | 5'9 | 20 |
| 1897 | 5'7 | 13'8 | 19'5 | 6'6 | 5'6 | 6'3 | 21 | 6'6 | 5'6 | 6'3 | 21 | 6'6 | 5'6 | 6'3 | 21 |
| 1898 | 6'8 | 13'7 | 20'5 | 7'0 | 5'7 | 6'3 | 21 | 7'0 | 5'7 | 6'3 | 21 | 7'0 | 5'7 | 6'3 | 21 |
| 1899 | 7'0 | 15'3 | 22'3 | 6'8 | 0'7 | 7'7 | 23 | 6'8 | 0'7 | 7'7 | 23 | 6'8 | 0'7 | 7'7 | 23 |
| 1900 | 5'9 | 20'0 | 25'9 | 7'3 | 8'7 | 9'4 | 28 | 7'3 | 8'7 | 9'4 | 28 | 7'3 | 8'7 | 9'4 | 28 |
| Total for the Five Years | 31'9 | 77'0 | 108'9 | 6'9 | 32'4 | 35'6 | 23 | 6'9 | 32'4 | 35'6 | 23 | 6'9 | 32'4 | 35'6 | 23 |
| 1901 | 7'2 | 16'5 | 23'7 | 6'8 | 7'6 | 8'3 | 24 | 6'8 | 7'6 | 8'3 | 24 | 6'8 | 7'6 | 8'3 | 24 |
| 1902 | 6'7 | 15'6 | 22'3 | 6'4 | 7'4 | 8'1 | 23 | 6'4 | 7'4 | 8'1 | 23 | 6'4 | 7'4 | 8'1 | 23 |
| Grand Total | 357'6 | 555'8 | 913'4 | 8'6 | 233'3 | 267'6 | 2'5 | 8'6 | 233'3 | 267'6 | 2'5 | 8'6 | 233'3 | 267'6 | 2'5 |

* Including Asiatic Turkey.

† Since the opening of the Suez Canal, some of the articles formerly entered as exported to Egypt have been entered as exported to the countries to which they were sent.

TABLE V. (continued)

Statement in detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions, in each Year and Period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole Exports in each Year and Period: the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for years subsequent to 1880 stated in millions.

A.—FOREIGN COUNTRIES (continued).

| | UNITED STATES. | | | | BRAZIL. | | | | CHILL. | | | | PERU. | | | |
|--------------------------|--|----------|----------|---------------------|--|---------|---------|---------------------|--|---------|---------|---------------------|--|---------|---------|---------------------|
| | Exports of Foreign and Colonial Produce. | | Total. | | Exports of Foreign and Colonial Produce. | | Total. | | Exports of Foreign and Colonial Produce. | | Total. | | Exports of Foreign and Colonial Produce. | | Total. | |
| | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. |
| 1866 | £ 3,345 | £ 28,499 | £ 31,844 | 13.3 | £ 133 | £ 7,225 | £ 7,358 | 3.1 | £ 26 | £ 1,853 | £ 1,879 | 0.8 | £ 38 | £ 1,356 | £ 1,394 | 0.6 |
| 1867 | 2,494 | 21,826 | 24,320 | 10.7 | 128 | 5,695 | 5,823 | 2.6 | 59 | 2,524 | 2,583 | 1.1 | 62 | 1,422 | 1,484 | 0.7 |
| 1868 | 2,370 | 21,432 | 23,802 | 10.4 | 137 | 5,352 | 5,489 | 2.4 | 60 | 1,903 | 2,023 | 0.9 | 53 | 1,132 | 1,185 | 0.5 |
| 1869 | 2,104 | 24,624 | 26,728 | 11.3 | 156 | 6,905 | 7,121 | 3.0 | 54 | 1,990 | 2,044 | 0.9 | 48 | 1,382 | 1,430 | 0.6 |
| 1870 | 2,971 | 28,335 | 31,306 | 12.8 | 177 | 5,307 | 5,544 | 2.3 | 93 | 2,674 | 2,767 | 1.1 | 93 | 1,701 | 1,854 | 0.8 |
| Total for the Five Years | 13,144 | 124,716 | 137,860 | 11.7 | 731 | 30,604 | 31,335 | 2.7 | 292 | 11,004 | 11,296 | 1.0 | 294 | 7,053 | 7,347 | 0.6 |
| 1871 | 4,405 | 34,228 | 38,693 | 13.6 | 263 | 6,274 | 6,537 | 2.3 | 139 | 2,010 | 2,149 | 0.8 | 216 | 2,100 | 2,376 | 0.8 |
| 1872 | 5,171 | 40,737 | 45,908 | 14.6 | 262 | 7,520 | 7,782 | 2.5 | 221 | 3,148 | 3,369 | 1.1 | 473 | 2,870 | 3,343 | 1.1 |
| 1873 | 3,124 | 33,575 | 36,699 | 11.8 | 332 | 7,545 | 7,877 | 2.5 | 145 | 3,165 | 3,310 | 1.1 | 217 | 2,524 | 2,741 | 0.9 |
| 1874 | 3,996 | 28,242 | 32,238 | 10.8 | 368 | 7,678 | 8,046 | 2.7 | 141 | 2,751 | 2,892 | 1.0 | 237 | 1,593 | 1,830 | 0.6 |
| 1875 | 3,194 | 21,868 | 25,062 | 8.9 | 393 | 6,869 | 7,172 | 2.5 | 137 | 2,207 | 2,344 | 0.8 | 223 | 1,595 | 1,818 | 0.6 |
| Total for the Five Years | 19,950 | 158,650 | 178,600 | 12.0 | 1,528 | 35,886 | 37,414 | 2.5 | 783 | 13,281 | 14,064 | 0.9 | 1,366 | 10,742 | 12,108 | 0.8 |
| 1876 | 3,393 | 16,834 | 20,227 | 7.9 | 316 | 5,920 | 6,236 | 2.4 | 119 | 1,946 | 2,065 | 0.8 | 178 | 991 | 1,169 | 0.5 |
| 1877 | 3,559 | 16,377 | 19,886 | 7.9 | 447 | 5,959 | 6,406 | 2.5 | 109 | 1,502 | 1,611 | 0.6 | 155 | 1,266 | 1,421 | 0.6 |
| 1878 | 2,980 | 14,552 | 17,532 | 7.1 | 621 | 5,197 | 5,819 | 2.4 | 102 | 1,191 | 1,293 | 0.5 | 221 | 1,370 | 1,591 | 0.6 |
| 1879 | 5,197 | 20,322 | 25,519 | 10.3 | 301 | 5,685 | 5,986 | 2.4 | 99 | 950 | 1,049 | 0.4 | 162 | 747 | 909 | 0.4 |
| 1880 | 7,098 | 30,856 | 37,954 | 13.3 | 233 | 6,082 | 6,315 | 2.4 | 247 | 1,919 | 2,166 | 0.8 | 67 | 313 | 380 | 0.1 |
| Total for the Five Years | 22,177 | 98,941 | 121,118 | 9.4 | 1,918 | 29,824 | 31,742 | 2.5 | 676 | 7,508 | 8,184 | 0.6 | 783 | 4,687 | 5,470 | 0.4 |

| UNITED STATES. | | | | BRAZIL. | | | | CHILI. | | | | PERU. | | | |
|--------------------------|--|-----------------------------|-------|---------------------|--|-----------------------------|-------|---------------------|--|-----------------------------|-------|---------------------|--|-----------------------------|-------|
| | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total | Per cent. of Total. | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total | Per cent. of Total. | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total | Per cent. of Total. | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total |
| | | | | | | | | | | | | | | | |
| 1881 | 70 | 298 | 368 | 12.4 | 66 | 69 | 135 | 2.3 | 25 | 25 | 50 | 0.9 | 18 | 18 | 36 |
| 1882 | 77 | 310 | 387 | 12.6 | 69 | 73 | 142 | 2.4 | 30 | 30 | 60 | 1.2 | 10 | 10 | 20 |
| 1883 | 93 | 274 | 367 | 12.0 | 66 | 70 | 136 | 2.3 | 01 | 01 | 02 | 0.7 | 07 | 07 | 14 |
| 1884 | 8 | 244 | 352 | 11.1 | 03 | 68 | 69 | 2.3 | 21 | 21 | 42 | 0.8 | 13 | 13 | 26 |
| 1885 | 91 | 220 | 311 | 11.5 | 54 | 57 | 111 | 2.1 | 01 | 01 | 02 | 0.6 | 07 | 07 | 14 |
| Total for the Five Years | 414 | 1346 | 1760 | 11.9 | 320 | 337 | 657 | 2.3 | 07 | 111 | 118 | 0.8 | 43 | 51 | 94 |
| 1886 | 108 | 568 | 676 | 14.0 | 03 | 61 | 64 | 2.4 | 01 | 16 | 17 | 0.6 | 09 | 10 | 19 |
| 1887 | 107 | 295 | 402 | 14.3 | 03 | 58 | 61 | 2.2 | 02 | 20 | 22 | 0.8 | 07 | 08 | 15 |
| 1888 | 123 | 289 | 412 | 13.8 | 03 | 63 | 66 | 2.2 | 02 | 22 | 24 | 0.8 | 11 | 13 | 24 |
| 1889 | 136 | 303 | 439 | 13.9 | 05 | 62 | 67 | 2.1 | 03 | 29 | 32 | 1.0 | 10 | 11 | 21 |
| 1890 | 143 | 320 | 463 | 14.1 | 03 | 75 | 78 | 2.4 | 02 | 32 | 34 | 1.0 | 11 | 12 | 23 |
| Total for the Five Years | 617 | 1475 | 2092 | 14.0 | 17 | 319 | 336 | 2.3 | 10 | 119 | 129 | 0.9 | 48 | 54 | 102 |
| 1891 | 135 | 275 | 410 | 13.3 | 03 | 83 | 86 | 2.8 | 02 | 20 | 22 | 0.7 | 10 | 11 | 21 |
| 1892 | 149 | 265 | 414 | 14.2 | 03 | 79 | 82 | 2.8 | 03 | 37 | 40 | 1.4 | 08 | 09 | 17 |
| 1893 | 118 | 239 | 357 | 12.9 | 03 | 78 | 81 | 2.9 | 02 | 24 | 26 | 0.9 | 08 | 09 | 17 |
| 1894 | 120 | 188 | 308 | 11.2 | 03 | 75 | 78 | 2.9 | 02 | 22 | 24 | 0.9 | 05 | 06 | 11 |
| 1895 | 161 | 280 | 441 | 15.4 | 03 | 73 | 76 | 2.8 | 02 | 33 | 35 | 1.2 | 01 | 02 | 03 |
| Total for the Five Years | 683 | 1247 | 1930 | 13.4 | 15 | 388 | 403 | 2.8 | 11 | 136 | 147 | 1.0 | 38 | 43 | 81 |
| 1896 | 116 | 254 | 370 | 10.8 | 03 | 67 | 70 | 2.4 | 02 | 25 | 27 | 0.9 | 09 | 10 | 19 |
| 1897 | 169 | 210 | 379 | 12.9 | 03 | 54 | 57 | 1.9 | 02 | 22 | 24 | 0.8 | 07 | 08 | 15 |
| 1898 | 138 | 147 | 285 | 9.7 | 03 | 62 | 65 | 2.2 | 02 | 17 | 19 | 0.7 | 08 | 09 | 16 |
| 1899 | 169 | 181 | 350 | 10.6 | 02 | 54 | 56 | 1.7 | 02 | 22 | 24 | 0.7 | 01 | 02 | 03 |
| 1900 | 175 | 198 | 373 | 10.5 | 03 | 58 | 61 | 1.7 | 03 | 32 | 35 | 1.0 | 10 | 11 | 21 |
| Total for the Five Years | 767 | 940 | 1707 | 10.9 | 14 | 295 | 309 | 1.9 | 11 | 118 | 129 | 0.8 | 42 | 47 | 89 |
| 1901 | 193 | 184 | 377 | 10.8 | 03 | 41 | 44 | 1.3 | 02 | 32 | 34 | 1.0 | 10 | 11 | 21 |
| 1902 | 193 | 238 | 431 | 12.3 | 03 | 54 | 57 | 1.6 | 02 | 29 | 31 | 0.9 | 09 | 10 | 19 |
| Grand Total | 3420 | 9253 | 12673 | 11.9 | 111 | 2380 | 2491 | 2.3 | 60 | 863 | 923 | 0.9 | 50 | 415 | 465 |

TABLE V. (continued)

Statement in detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions, in each Year and Period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole Exports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for years subsequent to 1880 stated in millions.

A.—FOREIGN COUNTRIES (continued).

| | CHINA.* | | | | JAPAN. | | | | OTHER FOREIGN COUNTRIES. | | | | TOTAL FOREIGN COUNTRIES. | | | |
|--------------------------|--------------------------------------|-----------------------------|---------|---------------------|--------------------------------------|-----------------------------|---------|---------------------|--------------------------------------|-----------------------------|---------|---------------------|--------------------------------------|-----------------------------|-----------|---------------------|
| | Exports of Foreign Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign Colonial Produce. | Exports of British Produce. | Total. | |
| | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. |
| 1866 | £ 118 | £ 5,000 | 5,208 | 2.2 | £ 116 | £ 1,444 | 1,560 | 0.7 | £ 3,631 | £ 25,930 | 29,561 | 12.4 | £ 40,540 | £ 135,108 | 175,648 | 76.1 |
| 1867 | 114 | 4,996 | 5,110 | 2.3 | 149 | 1,545 | 1,694 | 0.8 | 3,394 | 24,602 | 27,996 | 12.3 | 41,278 | 131,162 | 172,440 | 76.4 |
| 1868 | 110 | 6,312 | 6,422 | 2.8 | 106 | 1,113 | 1,219 | 0.5 | 3,152 | 22,657 | 25,809 | 11.5 | 44,248 | 129,813 | 174,061 | 76.4 |
| 1869 | 143 | 6,843 | 6,986 | 2.9 | 154 | 1,442 | 1,596 | 0.7 | 3,205 | 22,046 | 25,251 | 10.6 | 43,242 | 141,881 | 185,123 | 78.1 |
| 1870 | 223 | 6,140 | 6,363 | 2.6 | 168 | 1,609 | 1,777 | 0.7 | 4,000 | 20,046 | 24,046 | 12.3 | 40,917 | 147,772 | 188,689 | 77.3 |
| Total for the Five Years | 708 | 29,381 | 30,089 | 2.6 | 693 | 7,153 | 7,846 | 0.7 | 17,442 | 121,278 | 138,720 | 11.8 | 216,225 | 685,826 | 902,051 | 76.9 |
| 1871 | 168 | 6,628 | 6,796 | 2.4 | 162 | 1,584 | 1,746 | 0.6 | 4,695 | 27,056 | 31,751 | 11.2 | 56,197 | 171,816 | 228,013 | 80.4 |
| 1872 | 246 | 6,624 | 6,870 | 2.2 | 186 | 1,961 | 2,147 | 0.7 | 4,796 | 33,222 | 38,020 | 11.9 | 53,278 | 195,702 | 248,980 | 79.1 |
| 1873 | 134 | 4,883 | 5,017 | 1.6 | 204 | 1,680 | 1,884 | 0.6 | 5,497 | 36,558 | 42,055 | 13.5 | 51,021 | 188,836 | 239,857 | 77.1 |
| 1874 | 102 | 4,751 | 4,853 | 1.6 | 81 | 1,283 | 1,364 | 0.5 | 5,472 | 33,785 | 39,257 | 13.1 | 52,462 | 167,278 | 219,740 | 73.8 |
| 1875 | 169 | 4,928 | 5,097 | 1.8 | 134 | 2,460 | 2,594 | 0.9 | 5,410 | 31,238 | 36,648 | 13.2 | 52,583 | 153,374 | 205,957 | 72.8 |
| Total for the Five Years | 819 | 27,814 | 28,633 | 1.9 | 767 | 8,968 | 9,735 | 0.7 | 25,870 | 161,861 | 187,731 | 12.6 | 265,541 | 876,006 | 1,141,547 | 76.7 |
| 1876 | 108 | 4,611 | 4,719 | 1.8 | 159 | 2,033 | 2,192 | 0.9 | 5,708 | 28,200 | 33,908 | 13.1 | 50,847 | 135,780 | 186,627 | 72.7 |
| 1877 | 206 | 4,405 | 4,611 | 1.8 | 237 | 2,203 | 2,440 | 0.9 | 5,697 | 30,169 | 35,866 | 14.1 | 47,624 | 128,970 | 176,594 | 70.0 |
| 1878 | 212 | 3,738 | 3,950 | 1.6 | 290 | 2,610 | 2,906 | 1.2 | 5,103 | 20,590 | 25,693 | 13.1 | 40,880 | 126,611 | 167,491 | 70.7 |
| 1879 | 490 | 4,650 | 5,140 | 2.1 | 359 | 2,638 | 2,997 | 1.2 | 5,075 | 30,591 | 35,666 | 12.2 | 51,745 | 130,529 | 182,274 | 73.3 |
| 1880 | 451 | 5,064 | 5,515 | 1.9 | 522 | 3,291 | 3,813 | 1.3 | 5,852 | 28,888 | 34,740 | 12.2 | 57,081 | 147,806 | 204,887 | 71.5 |
| Total for the Five Years | 1,467 | 22,468 | 23,935 | 1.9 | 1,587 | 12,781 | 14,368 | 1.1 | 27,495 | 139,363 | 166,858 | 12.8 | 254,177 | 669,696 | 923,873 | 71.6 |

| CHINA.* | | | | JAPAN. | | | | OTHER FOREIGN COUNTRIES, | | | | TOTAL FOREIGN COUNTRIES. | | | |
|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|
| Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | |
| | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. |
| 1881 | £ 0'3 | £ 6'2 | 2'1 | £ 0'3 | £ 2'8 | 3'1 | 1'1 | £ 5'1 | £ 32'9 | 38'0 | 12'8 | £ 55'7 | £ 154'7 | 210'4 | 70'8 |
| 1882 | 0'3 | 4'9 | 1'6 | 0'3 | 2'1 | 2'4 | 0'8 | 5'8 | 33'5 | 30'3 | 12'8 | 57'7 | 156'6 | 214'3 | 69'9 |
| 1883 | 0'3 | 4'5 | 1'5 | 0'3 | 2'3 | 2'6 | 0'9 | 5'9 | 36'6 | 42'5 | 13'9 | 58'7 | 156'3 | 215'0 | 70'4 |
| 1884 | 0'2 | 4'4 | 1'5 | 0'3 | 2'3 | 2'6 | 0'9 | 5'5 | 36'2 | 41'7 | 14'1 | 55'5 | 152'1 | 217'6 | 70'2 |
| 1885 | 0'3 | 5'5 | 2'0 | 0'2 | 2'1 | 2'3 | 0'8 | 5'1 | 30'0 | 35'1 | 12'8 | 50'9 | 135'1 | 186'0 | 68'5 |
| Total for the Five Years | 1'4 | 25'5 | 1'7 | 1'4 | 11'6 | 13'0 | 0'9 | 27'4 | 169'2 | 196'6 | 13'3 | 278'5 | 754'8 | 1033'3 | 69'9 |
| 1886 | 0'2 | 5'2 | 5'4 | 0'1 | 2'2 | 2'3 | 0'9 | 5'2 | 30'1 | 35'3 | 13'1 | 49'7 | 136'9 | 186'6 | 69'4 |
| 1887 | 0'5 | 6'2 | 2'4 | 0'2 | 3'5 | 3'7 | 1'4 | 4'8 | 33'8 | 38'6 | 13'5 | 52'4 | 146'6 | 199'0 | 70'8 |
| 1888 | 0'1 | 6'2 | 6'3 | 0'1 | 4'0 | 4'1 | 1'4 | 5'7 | 36'9 | 42'6 | 14'3 | 50'6 | 150'6 | 206'8 | 69'2 |
| 1889 | 0'2 | 5'0 | 5'2 | 0'2 | 3'9 | 4'1 | 1'3 | 6'1 | 44'6 | 50'7 | 16'4 | 59'1 | 165'7 | 224'8 | 71'3 |
| 1890 | 0'2 | 6'6 | 6'8 | 0'1 | 4'1 | 4'2 | 1'3 | 6'1 | 44'6 | 50'7 | 15'4 | 57'6 | 176'1 | 233'7 | 71'2 |
| Total for the Five Years | 1'2 | 30'4 | 2'1 | 0'7 | 17'7 | 18'4 | 1'2 | 27'9 | 190'0 | 217'9 | 14'5 | 275'4 | 775'5 | 1050'9 | 70'5 |
| 1891 | 0'1 | 6'4 | 6'5 | 0'2 | 2'9 | 3'1 | 1'0 | 5'9 | 38'8 | 44'7 | 14'4 | 54'5 | 161'3 | 215'8 | 69'8 |
| 1892 | 0'1 | 5'7 | 5'8 | 0'3 | 3'0 | 3'3 | 1'1 | 5'9 | 36'1 | 42'0 | 14'5 | 58'0 | 152'4 | 210'4 | 72'2 |
| 1893 | 0'1 | 4'6 | 4'7 | 0'2 | 3'5 | 3'7 | 1'3 | 6'1 | 35'0 | 41'1 | 14'8 | 52'0 | 146'1 | 198'5 | 71'7 |
| 1894 | 0'1 | 4'5 | 4'6 | 0'2 | 3'7 | 3'9 | 1'1 | 5'3 | 35'3 | 40'6 | 14'9 | 52'0 | 143'2 | 195'2 | 71'3 |
| 1895 | 0'1 | 5'3 | 5'4 | 0'1 | 4'7 | 4'8 | 1'7 | 5'1 | 36'4 | 41'5 | 14'4 | 53'8 | 156'0 | 209'3 | 73'4 |
| Total for the Five Years | 0'5 | 26'5 | 27'0 | 1'0 | 17'8 | 18'8 | 1'3 | 28'3 | 181'6 | 209'9 | 14'5 | 270'7 | 759'0 | 1029'7 | 71'7 |
| 1896 | 0'1 | 6'7 | 6'8 | 0'1 | 6'1 | 6'2 | 2'1 | 5'4 | 38'8 | 44'2 | 14'8 | 49'7 | 156'0 | 205'7 | 69'4 |
| 1897 | 0'04 | 5'14 | 5'2 | 0'2 | 5'8 | 6'0 | 2'0 | 5'3 | 36'7 | 42'0 | 14'4 | 53'7 | 153'5 | 207'2 | 70'4 |
| 1898 | 0'06 | 0'04 | 5'1 | 0'2 | 4'9 | 5'1 | 1'7 | 6'2 | 37'4 | 43'6 | 14'9 | 56'0 | 149'9 | 203'9 | 69'4 |
| 1899 | 0'1 | 7'0 | 7'1 | 0'3 | 7'9 | 8'2 | 2'5 | 6'6 | 45'6 | 52'2 | 15'9 | 58'4 | 176'9 | 235'3 | 71'4 |
| 1900 | 0'1 | 5'5 | 5'6 | 0'2 | 9'7 | 9'9 | 2'8 | 6'0 | 51'2 | 57'2 | 16'1 | 55'5 | 196'8 | 252'3 | 71'2 |
| Total for the Five Years | 0'4 | 29'4 | 29'8 | 1'0 | 34'4 | 35'4 | 2'3 | 29'5 | 209'7 | 239'2 | 15'2 | 271'3 | 833'1 | 1104'4 | 70'4 |
| 1901 | 0'1 | 6'7 | 6'8 | 0'1 | 8'1 | 8'2 | 2'4 | 5'8 | 46'8 | 52'6 | 15'0 | 59'5 | 175'2 | 234'7 | 67'5 |
| 1902 | 0'1 | 7'1 | 7'2 | 0'2 | 5'1 | 5'3 | 1'5 | 5'1 | 45'7 | 50'8 | 14'5 | 57'3 | 174'4 | 231'7 | 66'4 |
| Grand Total | 6'7 | 202'6 | 209'3 | 7'4 | 123'6 | 131'0 | 1'2 | 194'8 | 1275'5 | 1470'3 | 13'9 | 1948'7 | 5703'5 | 7652'2 | 72'0 |

* Exclusive of Hong Kong and Macão.

TABLE V. (continued).

Statement in detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions in each Year and period of Five Years, since 1866 with the Proportions that the Amounts for each Country and Possession bear to the whole Exports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for years subsequent to 1880 stated in millions.

B.—BRITISH POSSESSIONS AND TOTALS.

| | BRITISH NORTH AMERICA. | | | | BRITISH WEST INDIES AND BRITISH GUIANA. | | | | AUSTRALIA AND NEW ZEALAND. | | | | BRITISH INDIA. | | | |
|--------------------------------|---|--------------------------------------|---------|--------------------------|---|--------------------------------------|---------|--------------------------|---|--------------------------------------|----------|--------------------------|---|--------------------------------------|----------|--------------------------|
| | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | |
| | | | Amount. | Per cent of Total. | | | Amount. | Per cent of Total. | | | Amount. | Per cent of Total. | | | Amount. | Per cent of Total. |
| 1866 | £ 877 | £ 6,825 | 7,702 | 3'2 | £ 231 | £ 2,686 | 2,917 | 1'2 | £ 978 | £ 13,043 | £ 14,021 | 6'1 | £ 662 | £ 20,010 | £ 20,672 | 8'7 |
| 1867 | 868 | 5,862 | 6,730 | 3'0 | 228 | 2,293 | 2,521 | 1'1 | 744 | 9,614 | 10,358 | 4'6 | 1,042 | 21,865 | 22,847 | 10'1 |
| 1868 | 724 | 4,848 | 5,572 | 2'5 | 306 | 2,459 | 2,765 | 1'2 | 987 | 12,076 | 13,063 | 5'7 | 1,018 | 21,252 | 22,270 | 9'8 |
| 1869 | 750 | 5,159 | 5,909 | 2'5 | 304 | 2,488 | 2,792 | 1'2 | 970 | 13,412 | 14,382 | 6'1 | 951 | 17,560 | 18,511 | 7'8 |
| 1870 | 800 | 6,184 | 7,584 | 3'1 | 275 | 3,309 | 3,584 | 1'5 | 837 | 9,899 | 10,736 | 4'4 | 790 | 19,304 | 20,094 | 8'2 |
| Total for the Five Years | 4,019 | 29,478 | 33,497 | 2'9 | 1,344 | 13,235 | 14,579 | 1'2 | 4,516 | 58,644 | 63,160 | 5'4 | 4,463 | 99,931 | 104,394 | 8'9 |
| 1871 | 855 | 8,257 | 9,112 | 3'2 | 354 | 2,043 | 2,397 | 1'2 | 1,062 | 10,052 | 11,114 | 3'9 | 959 | 18,054 | 19,013 | 6'7 |
| 1872 | 1,131 | 10,103 | 11,234 | 3'6 | 357 | 3,325 | 3,682 | 1'2 | 1,341 | 14,142 | 15,483 | 4'9 | 1,015 | 18,471 | 19,486 | 6'2 |
| 1873 | 754 | 8,620 | 9,374 | 3'0 | 303 | 3,273 | 3,576 | 1'2 | 1,615 | 17,611 | 19,226 | 6'9 | 960 | 21,354 | 22,314 | 7'2 |
| 1874 | 679 | 9,332 | 10,011 | 3'4 | 302 | 3,228 | 3,530 | 1'2 | 1,666 | 19,063 | 20,669 | 6'9 | 1,354 | 24,681 | 25,435 | 8'6 |
| 1875 | 646 | 9,037 | 9,683 | 3'4 | 340 | 2,935 | 3,275 | 1'2 | 1,733 | 19,491 | 21,224 | 7'5 | 1,349 | 24,246 | 25,595 | 9'1 |
| Total for the Five Years | 4,065 | 45,439 | 49,704 | 3'3 | 1,656 | 15,704 | 17,360 | 1'2 | 7,357 | 80,359 | 87,716 | 5'9 | 5,637 | 106,206 | 111,843 | 7'5 |
| 1876 | 668 | 7,358 | 8,026 | 3'1 | 329 | 2,873 | 3,202 | 1'3 | 1,788 | 17,682 | 19,470 | 7'6 | 1,272 | 22,405 | 23,677 | 9'2 |
| 1877 | 643 | 7,613 | 8,256 | 3'3 | 306 | 2,832 | 3,138 | 1'2 | 2,218 | 19,286 | 21,504 | 8'5 | 1,281 | 25,338 | 26,619 | 10'6 |
| 1878 | 597 | 6,437 | 7,034 | 2'9 | 287 | 2,604 | 2,891 | 1'2 | 1,952 | 19,574 | 21,526 | 8'8 | 1,382 | 23,277 | 24,659 | 10'0 |
| 1879 | 674 | 5,445 | 6,119 | 2'5 | 276 | 2,671 | 2,947 | 1'2 | 1,669 | 16,271 | 17,940 | 7'2 | 1,340 | 21,375 | 22,715 | 9'1 |
| 1880 | 807 | 7,799 | 8,516 | 3'0 | 388 | 2,861 | 3,249 | 1'1 | 1,817 | 16,931 | 18,748 | 6'5 | 1,577 | 30,451 | 32,028 | 11'2 |
| Total for the Five Years | 3,389 | 34,562 | 37,951 | 2'9 | 1,586 | 13,841 | 15,427 | 1'2 | 9,464 | 89,744 | 99,208 | 7'7 | 6,852 | 122,846 | 129,698 | 10'1 |

| | BRITISH NORTH AMERICA. | | | | BRITISH WEST INDIES AND BRITISH GUIANA. | | | | AUSTRALIA AND NEW ZEALAND. | | | | BRITISH INDIA. | | | |
|--------------------------------|--|---------------------------|---------|---------------------------|--|---------------------------|---------|---------------------------|--|---------------------------|---------|---------------------------|--|---------------------------|---------|---------------------------|
| | Exports of Foreign Colonial Produce. | | Total. | | Exports of Foreign Colonial Produce. | | Total. | | Exports of Foreign Colonial Produce. | | Total. | | Exports of Foreign Colonial Produce. | | Total. | |
| | | | | | | | | | | | | | | | | |
| | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. |
| 1881 | 0'9 | 8'4 | 9'3 | 3'1 | 2'6 | 0'3 | 2'9 | 1'0 | 21'4 | 2'6 | 24'0 | 8'1 | 1'8 | 29'2 | 31'0 | 10'4 |
| 1882 | 1'0 | 9'7 | 10'7 | 3'5 | 3'2 | 0'3 | 3'5 | 1'1 | 21'4 | 3'1 | 28'5 | 9'3 | 1'5 | 29'1 | 30'6 | 10'6 |
| 1883 | 1'0 | 9'1 | 10'1 | 3'3 | 3'4 | 0'4 | 3'8 | 1'2 | 24'2 | 2'6 | 28'5 | 8'8 | 1'5 | 31'9 | 33'4 | 10'9 |
| 1884 | 1'0 | 8'7 | 9'7 | 3'3 | 3'1 | 0'3 | 3'4 | 1'1 | 23'9 | 2'9 | 25'8 | 9'1 | 1'5 | 30'6 | 32'1 | 10'3 |
| 1885 | 1'2 | 7'2 | 8'4 | 3'1 | 2'3 | 0'3 | 2'6 | 1'0 | 25'2 | 2'9 | 28'1 | 10'4 | 1'6 | 29'3 | 30'9 | 11'4 |
| Total for the Five Years | 5'1 | 43'1 | 48'2 | 3'2 | 1'6 | 1'6 | 16'2 | 1'1 | 120'1 | 14'1 | 134'2 | 9'1 | 7'9 | 150'1 | 158'0 | 10'7 |
| 1886 | 1'1 | 7'9 | 9'0 | 3'4 | 2'3 | 0'3 | 2'6 | 0'9 | 22'4 | 2'6 | 25'0 | 9'3 | 1'2 | 31'3 | 32'5 | 12'1 |
| 1887 | 1'1 | 8'1 | 9'2 | 3'3 | 2'7 | 0'3 | 3'0 | 1'1 | 19'8 | 2'5 | 22'3 | 7'9 | 1'4 | 30'7 | 32'1 | 11'4 |
| 1888 | 1'1 | 7'6 | 8'7 | 2'5 | 0'3 | 0'3 | 3'3 | 1'1 | 25'5 | 3'2 | 28'7 | 9'7 | 1'3 | 31'6 | 33'9 | 11'7 |
| 1889 | 1'3 | 8'1 | 9'4 | 2'9 | 0'4 | 0'4 | 3'4 | 1'1 | 22'9 | 2'7 | 25'6 | 8'1 | 1'4 | 31'0 | 32'4 | 10'3 |
| 1890 | 1'1 | 7'2 | 8'3 | 2'5 | 3'5 | 0'4 | 3'9 | 1'2 | 23'0 | 2'5 | 25'5 | 7'8 | 1'6 | 33'6 | 35'2 | 10'7 |
| Total for the Five Years | 5'7 | 38'9 | 44'6 | 2'9 | 1'7 | 1'7 | 16'2 | 1'1 | 113'6 | 13'5 | 127'1 | 8'5 | 6'9 | 159'4 | 166'3 | 11'1 |
| 1891 | 1'1 | 7'2 | 8'3 | 2'6 | 0'4 | 0'4 | 3'3 | 1'0 | 25'5 | 2'8 | 28'3 | 9'1 | 1'4 | 31'2 | 32'6 | 10'8 |
| 1892 | 1'1 | 7'4 | 8'5 | 2'9 | 0'3 | 0'3 | 3'3 | 1'1 | 19'3 | 2'9 | 21'5 | 7'4 | 1'1 | 27'9 | 29'0 | 10'8 |
| 1893 | 1'4 | 7'2 | 8'6 | 3'1 | 3'2 | 0'4 | 3'6 | 1'2 | 15'1 | 1'9 | 17'0 | 6'1 | 1'1 | 28'8 | 30'0 | 10'8 |
| 1894 | 1'1 | 6'3 | 7'4 | 2'7 | 2'0 | 0'5 | 3'4 | 1'2 | 16'1 | 1'9 | 18'0 | 6'6 | 0'8 | 29'3 | 30'1 | 11'3 |
| 1895 | 1'1 | 5'5 | 6'6 | 2'3 | 2'6 | 0'4 | 3'0 | 1'1 | 17'3 | 2'6 | 19'3 | 6'8 | 0'7 | 24'8 | 25'5 | 8'9 |
| Total for the Five Years | 5'8 | 33'6 | 39'4 | 2'7 | 14'6 | 2'0 | 16'6 | 1'1 | 93'3 | 1'8 | 104'1 | 7'2 | 5'1 | 142'0 | 147'1 | 10'2 |
| 1896 | 0'9 | 5'8 | 6'7 | 2'3 | 0'4 | 0'4 | 3'1 | 1'0 | 21'9 | 2'4 | 24'3 | 8'2 | 0'7 | 30'1 | 30'8 | 10'4 |
| 1897 | 1'0 | 5'5 | 6'5 | 2'2 | 2'3 | 0'4 | 2'7 | 0'9 | 21'3 | 2'4 | 23'7 | 8'1 | 0'6 | 27'4 | 28'0 | 9'5 |
| 1898 | 1'4 | 6'1 | 7'5 | 2'6 | 0'4 | 0'4 | 2'8 | 1'0 | 21'1 | 2'3 | 23'4 | 8'0 | 0'6 | 29'7 | 30'3 | 10'2 |
| 1899 | 1'4 | 7'4 | 8'8 | 2'7 | 0'3 | 0'3 | 2'8 | 0'9 | 22'5 | 2'2 | 24'7 | 7'5 | 0'7 | 31'3 | 31'9 | 9'7 |
| 1900 | 1'6 | 8'1 | 9'7 | 2'7 | 2'3 | 0'4 | 2'7 | 0'8 | 27'1 | 2'3 | 29'4 | 8'3 | 0'9 | 30'1 | 31'0 | 8'7 |
| Total for the Five Years | 6'3 | 32'9 | 39'2 | 2'5 | 12'2 | 1'9 | 14'1 | 0'9 | 113'9 | 11'6 | 125'5 | 8'0 | 3'5 | 148'6 | 152'1 | 9'7 |
| 1901 | 1'5 | 8'1 | 9'6 | 2'8 | 0'3 | 0'3 | 2'8 | 0'8 | 27'0 | 2'6 | 29'6 | 8'5 | 0'7 | 35'0 | 35'7 | 10'3 |
| 1902 | 1'7 | 10'7 | 12'4 | 3'6 | 0'3 | 0'3 | 2'9 | 0'8 | 25'2 | 2'5 | 27'7 | 7'6 | 0'8 | 32'7 | 33'5 | 9'9 |
| Grand Total | 37'7 | 276'8 | 314'5 | 3'0 | 12'4 | 10'8 | 116'2 | 1'1 | 76'4 | 76'4 | 798'2 | 7'5 | 41'8 | 906'8 | 1038'6 | 9'8 |

TABLE V. (continued).

Statement in detail of the Total Exports of Merchandise from the United Kingdom to each of certain Foreign Countries and British Possessions, in each Year and period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole Exports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for years subsequent to 1880 stated in millions.

B.—BRITISH POSSESSIONS AND TOTALS (continued).

| | CAPE OF GOOD HOPE AND NATAL. | | | | OTHER BRITISH POSSESSIONS. | | | | TOTAL BRITISH POSSESSIONS | | | | TOTAL FOREIGN COUNTRIES AND BRITISH POSSESSIONS. | | | |
|--------------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|----------|---------------------|--|-----------------------------|-----------|---------------------|
| | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total | |
| | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. |
| 1866 | £ 61 | £ 1,399 | £ 1,460 | 0.6 | £ 639 | £ 9,157 | £ 9,796 | 4.1 | £ 3,448 | £ 53,720 | £ 57,168 | 23.9 | £ 49,988 | £ 188,918 | £ 238,906 | 100 |
| 1867 | 74 | 1,893 | 1,967 | 0.8 | 607 | 8,333 | 8,940 | 4.0 | 3,563 | 49,800 | 53,363 | 23.6 | 44,841 | 180,962 | 225,803 | 100 |
| 1868 | 69 | 1,591 | 1,660 | 0.7 | 749 | 7,639 | 8,388 | 3.7 | 3,853 | 49,865 | 53,718 | 23.6 | 48,101 | 179,678 | 227,779 | 100 |
| 1869 | 70 | 1,572 | 1,642 | 0.7 | 774 | 7,882 | 8,656 | 3.6 | 3,819 | 48,073 | 51,892 | 21.9 | 47,061 | 180,954 | 227,015 | 100 |
| 1870 | 104 | 1,859 | 1,963 | 0.8 | 771 | 10,660 | 11,431 | 4.7 | 3,577 | 51,815 | 55,392 | 22.7 | 44,494 | 199,587 | 244,081 | 100 |
| Total for the Five Years | 378 | 8,344 | 8,692 | 0.7 | 3,540 | 43,671 | 47,211 | 4.0 | 18,260 | 253,273 | 271,533 | 23.1 | 234,485 | 939,099 | 1,173,584 | 100 |
| 1871 | 117 | 2,198 | 2,315 | 0.8 | 965 | 9,746 | 10,711 | 3.8 | 4,312 | 51,250 | 55,562 | 19.6 | 60,509 | 223,066 | 283,575 | 100 |
| 1872 | 288 | 3,706 | 3,994 | 1.3 | 922 | 10,718 | 11,640 | 3.7 | 5,054 | 60,555 | 65,609 | 20.9 | 58,332 | 250,257 | 314,589 | 100 |
| 1873 | 311 | 4,335 | 4,646 | 1.5 | 876 | 11,136 | 12,012 | 3.8 | 4,819 | 66,329 | 71,148 | 22.9 | 55,840 | 255,165 | 311,005 | 100 |
| 1874 | 400 | 4,302 | 4,702 | 1.6 | 1,089 | 12,274 | 13,363 | 4.5 | 5,630 | 72,280 | 77,910 | 26.2 | 58,092 | 239,558 | 297,650 | 100 |
| 1875 | 441 | 4,910 | 5,351 | 1.9 | 1,054 | 10,473 | 11,527 | 4.1 | 5,563 | 71,092 | 76,655 | 27.2 | 58,146 | 223,466 | 281,612 | 100 |
| Total for the Five Years | 1,557 | 19,451 | 21,008 | 1.4 | 4,906 | 54,347 | 59,253 | 4.0 | 25,378 | 321,506 | 346,884 | 23.3 | 299,919 | 1,197,512 | 1,488,431 | 100 |
| 1876 | 315 | 4,369 | 4,684 | 1.8 | 910 | 10,172 | 11,081 | 4.3 | 5,291 | 64,859 | 70,150 | 27.3 | 56,138 | 200,639 | 256,777 | 100 |
| 1877 | 387 | 4,116 | 4,503 | 1.8 | 994 | 10,738 | 11,732 | 4.6 | 5,820 | 60,923 | 75,752 | 30.0 | 53,453 | 198,893 | 252,346 | 100 |
| 1878 | 346 | 4,013 | 4,359 | 2.2 | 991 | 9,433 | 10,424 | 4.2 | 5,755 | 66,329 | 72,083 | 29.3 | 51,635 | 192,849 | 245,484 | 100 |
| 1879 | 517 | 5,853 | 6,370 | 2.6 | 1,010 | 9,388 | 10,398 | 4.1 | 6,003 | 66,509 | 72,512 | 28.7 | 57,251 | 191,532 | 248,783 | 100 |
| 1880 | 576 | 6,630 | 7,206 | 2.5 | 1,108 | 10,672 | 11,780 | 4.2 | 6,273 | 75,254 | 81,527 | 28.5 | 63,354 | 232,060 | 295,414 | 100 |
| Total for the Five Years | 2,341 | 25,881 | 28,222 | 2.2 | 5,022 | 50,403 | 55,425 | 4.3 | 28,654 | 337,277 | 365,931 | 28.4 | 282,831 | 1,006,973 | 1,289,804 | 100 |

| CAPE OF GOOD HOPE AND NATAL. | | | | OTHER BRITISH POSSESSIONS. | | | | TOTAL BRITISH POSSESSIONS. | | | | TOTAL FOREIGN COUNTRIES AND BRITISH POSSESSIONS. | | | |
|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|--|-----------------------------|---------|---------------------|
| Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | | Exports of Foreign and Colonial Produce. | Exports of British Produce. | Total. | |
| | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. | | | Amount. | Per cent. of Total. |
| 1881 | 0'6 | 7'1 | 2'6 | 1'1 | 10'6 | 11'7 | 4'0 | 7'3 | 79'4 | 86'7 | 20'2 | 63'1 | 234'0 | 207'1 | 100 |
| 1882 | 0'6 | 7'5 | 2'6 | 1'0 | 9'9 | 10'9 | 3'6 | 7'5 | 84'8 | 92'3 | 30'1 | 65'2 | 241'5 | 306'7 | 100 |
| 1883 | 0'4 | 4'6 | 5'0 | 1'0 | 10'3 | 11'3 | 3'7 | 6'9 | 83'5 | 90'4 | 29'6 | 65'6 | 239'8 | 305'4 | 100 |
| 1884 | 0'4 | 4'1 | 4'5 | 1'3 | 10'5 | 11'8 | 4'0 | 7'4 | 80'9 | 88'3 | 29'8 | 62'9 | 233'0 | 295'9 | 100 |
| 1885 | 0'4 | 3'8 | 4'2 | 1'1 | 10'1 | 11'2 | 4'1 | 7'5 | 77'9 | 85'4 | 31'5 | 58'4 | 213'0 | 271'4 | 100 |
| Total for the Five Years | 2'4 | 27'1 | 29'5 | 5'5 | 51'4 | 56'9 | 3'9 | 36'6 | 406'5 | 443'1 | 30'0 | 315'2 | 1161'3 | 1476'5 | 100 |
| 1886 | 0'3 | 3'3 | 3'6 | 1'1 | 8'3 | 9'4 | 3'5 | 6'6 | 75'5 | 82'1 | 30'6 | 56'3 | 212'4 | 268'7 | 100 |
| 1887 | 0'5 | 5'0 | 5'5 | 1'1 | 9'1 | 10'2 | 3'6 | 6'9 | 75'4 | 82'3 | 29'2 | 59'4 | 221'9 | 281'3 | 100 |
| 1888 | 0'5 | 5'9 | 6'4 | 1'1 | 9'6 | 10'7 | 3'6 | 7'5 | 84'2 | 91'7 | 30'8 | 64'0 | 234'6 | 298'6 | 100 |
| 1889 | 0'8 | 9'0 | 9'8 | 0'9 | 9'3 | 10'2 | 3'2 | 7'5 | 83'3 | 90'8 | 28'7 | 66'7 | 248'9 | 315'6 | 100 |
| 1890 | 0'7 | 9'1 | 9'8 | 0'8 | 11'0 | 11'8 | 3'6 | 7'1 | 87'4 | 94'5 | 28'8 | 64'7 | 263'5 | 328'2 | 100 |
| Total for the Five Years | 2'8 | 32'3 | 35'1 | 5'0 | 47'3 | 52'3 | 3'6 | 35'6 | 405'8 | 441'4 | 29'6 | 311'1 | 1181'3 | 1492'4 | 100 |
| 1891 | 0'7 | 8'0 | 8'7 | 1'0 | 11'1 | 12'1 | 3'9 | 7'4 | 85'9 | 93'3 | 30'2 | 61'9 | 247'2 | 309'1 | 100 |
| 1892 | 0'6 | 8'0 | 8'6 | 1'2 | 9'1 | 10'3 | 3'5 | 6'5 | 74'7 | 81'2 | 27'8 | 58'0 | 217'6 | 277'1 | 100 |
| 1893 | 0'8 | 8'6 | 9'4 | 0'8 | 9'3 | 10'1 | 3'6 | 6'4 | 72'2 | 78'6 | 28'3 | 58'0 | 212'6 | 277'1 | 100 |
| 1894 | 0'6 | 8'4 | 9'0 | 0'9 | 9'8 | 10'7 | 3'8 | 5'8 | 72'8 | 78'6 | 28'7 | 57'8 | 216'0 | 273'8 | 100 |
| 1895 | 0'8 | 10'6 | 11'4 | 0'9 | 9'4 | 10'3 | 3'5 | 5'9 | 70'2 | 76'1 | 26'6 | 59'7 | 226'1 | 285'8 | 100 |
| Total for the Five Years | 3'5 | 43'6 | 47'1 | 4'8 | 48'7 | 53'5 | 3'9 | 32'0 | 375'8 | 407'8 | 28'3 | 302'7 | 1134'7 | 1437'4 | 100 |
| 1896 | 1'1 | 13'8 | 14'9 | 1'0 | 9'8 | 10'8 | 3'7 | 6'5 | 84'1 | 90'6 | 30'6 | 56'2 | 240'1 | 296'3 | 100 |
| 1897 | 1'0 | 13'4 | 14'4 | 0'9 | 10'8 | 11'7 | 3'9 | 6'3 | 80'7 | 87'0 | 29'5 | 60'0 | 234'2 | 294'2 | 100 |
| 1898 | 0'9 | 12'2 | 13'1 | 1'1 | 11'9 | 13'0 | 4'4 | 6'7 | 83'4 | 90'1 | 30'0 | 60'6 | 233'4 | 294'0 | 100 |
| 1899 | 0'8 | 11'4 | 12'2 | 1'2 | 12'5 | 13'7 | 4'1 | 6'6 | 86'6 | 94'2 | 28'6 | 65'0 | 250'5 | 319'5 | 100 |
| 1900 | 1'2 | 12'8 | 14'0 | 1'2 | 14'0 | 15'2 | 4'3 | 7'6 | 94'4 | 102'0 | 28'8 | 63'2 | 291'2 | 354'4 | 100 |
| Total for the Five Years | 5'0 | 63'6 | 68'6 | 5'4 | 59'0 | 64'4 | 4'2 | 33'7 | 430'2 | 463'9 | 29'7 | 305'0 | 1263'4 | 1568'4 | 100 |
| 1901 | 1'8 | 17'2 | 19'0 | 1'4 | 15'0 | 16'4 | 4'7 | 8'3 | 104'8 | 113'1 | 32'5 | 67'8 | 280'0 | 347'8 | 100 |
| 1902 | 2'0 | 24'4 | 26'4 | 1'2 | 13'4 | 14'6 | 4'2 | 8'5 | 109'0 | 117'5 | 33'6 | 65'8 | 283'4 | 349'2 | 100 |
| Grand Total | 21'8 | 261'8 | 283'6 | 36'7 | 383'2 | 419'9 | 3'9 | 226'9 | 2744'2 | 2971'1 | 28'0 | 2175'7 | 8447'6 | 10623'3 | 100 |

TABLE VI.

Statement in detail of the Imports of Merchandise into the United Kingdom from each of certain Foreign Countries and British Possessions, in each Year and Period of Five Years, since 1866, with the Proportions that the Amounts for each Country and Possession bear to the whole Imports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for years subsequent to 1880 stated in millions.

A.—FOREIGN COUNTRIES.

| | RUSSIA. | | GERMANY. | | HOLLAND. | | BELGIUM. | | FRANCE. | | ITALY. | | TURKEY.* | | EGYPT.† | |
|--------------------------|---------|---------------------|----------|---------------------|----------|---------------------|----------|---------------------|----------|---------------------|---------|---------------------|----------|---------------------|----------|---------------------|
| | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. |
| 1866 | 19,625 | 6.6 | £ 19,089 | 6.5 | £ 11,769 | 4.0 | £ 7,907 | 2.7 | £ 37,017 | 12.5 | £ 3,825 | 1.3 | £ 5,442 | 1.8 | £ 15,369 | 5.2 |
| 1867 | 22,287 | 8.1 | 18,907 | 6.9 | 10,822 | 3.9 | 7,555 | 2.8 | 33,735 | 12.3 | 3,107 | 1.1 | 4,237 | 1.5 | 15,498 | 5.6 |
| 1868 | 20,052 | 6.8 | 18,173 | 6.2 | 11,391 | 3.9 | 8,255 | 2.8 | 33,806 | 11.5 | 4,024 | 1.4 | 4,237 | 1.5 | 17,585 | 6.0 |
| 1869 | 16,675 | 5.6 | 18,354 | 6.2 | 12,739 | 4.3 | 9,391 | 3.2 | 33,527 | 11.3 | 3,998 | 1.4 | 7,747 | 2.6 | 16,796 | 5.7 |
| 1870 | 20,561 | 6.8 | 15,404 | 5.1 | 14,316 | 4.7 | 11,248 | 3.7 | 37,607 | 12.4 | 3,844 | 1.3 | 6,637 | 2.2 | 14,117 | 4.7 |
| Total for the Five Years | 99,202 | 6.8 | 89,927 | 6.1 | 61,037 | 4.2 | 44,356 | 3.0 | 175,782 | 12.0 | 18,798 | 1.3 | 30,300 | 2.1 | 79,365 | 5.4 |
| 1871 | 23,721 | 7.2 | 19,263 | 5.8 | 13,970 | 4.2 | 13,573 | 4.1 | 29,849 | 9.0 | 4,624 | 1.4 | 7,039 | 2.1 | 16,387 | 5.0 |
| 1872 | 24,520 | 6.9 | 19,232 | 5.4 | 13,109 | 3.7 | 13,211 | 3.7 | 41,803 | 11.8 | 4,159 | 1.2 | 5,441 | 1.5 | 16,456 | 4.6 |
| 1873 | 21,189 | 5.7 | 19,927 | 5.4 | 13,272 | 3.6 | 13,075 | 3.5 | 43,339 | 11.7 | 3,831 | 1.0 | 6,069 | 1.6 | 14,156 | 3.8 |
| 1874 | 20,933 | 5.7 | 19,947 | 5.4 | 14,404 | 3.9 | 15,049 | 4.1 | 46,519 | 12.5 | 3,634 | 1.0 | 5,843 | 1.6 | 10,515 | 2.8 |
| 1875 | 20,709 | 5.5 | 21,836 | 5.8 | 14,837 | 4.0 | 14,822 | 4.0 | 46,720 | 12.5 | 4,633 | 1.2 | 6,556 | 1.8 | 10,895 | 2.9 |
| Total for the Five Years | 110,872 | 6.2 | 100,205 | 5.6 | 69,652 | 3.9 | 69,730 | 3.9 | 208,230 | 11.6 | 20,881 | 1.1 | 30,948 | 1.7 | 68,409 | 3.8 |
| 1876 | 17,575 | 4.7 | 21,115 | 5.6 | 16,602 | 4.4 | 13,848 | 3.7 | 45,305 | 12.1 | 4,152 | 1.1 | 7,444 | 2.0 | 11,482 | 3.1 |
| 1877 | 22,122 | 5.6 | 26,270 | 6.7 | 19,861 | 5.0 | 12,889 | 3.3 | 45,823 | 11.6 | 4,101 | 1.0 | 6,852 | 1.7 | 11,102 | 2.8 |
| 1878 | 17,804 | 4.8 | 23,571 | 6.4 | 21,466 | 5.8 | 12,337 | 3.4 | 41,379 | 11.2 | 3,252 | 0.9 | 4,779 | 1.3 | 6,145 | 1.7 |
| 1879 | 15,877 | 4.4 | 21,605 | 6.0 | 21,059 | 6.0 | 10,726 | 3.0 | 38,459 | 10.6 | 3,254 | 0.9 | 3,473 | 1.0 | 8,890 | 2.4 |
| 1880 | 16,030 | 3.9 | 24,355 | 5.9 | 25,969 | 6.3 | 11,254 | 2.7 | 41,970 | 10.2 | 3,385 | 0.8 | 3,874 | 1.0 | 9,191 | 2.2 |
| Total for the Five Years | 89,498 | 4.7 | 116,916 | 6.1 | 105,797 | 5.3 | 61,104 | 3.2 | 212,936 | 11.1 | 18,124 | 0.9 | 26,422 | 1.4 | 46,812 | 2.4 |

| | RUSSIA. | | | GERMANY. | | | HOLLAND. | | | BELGIUM. | | | FRANCE. | | | ITALY. | | | TURKEY.* | | | EGYPT.† | | |
|--------------------------|---------|---------------------|---|----------|---------------------|---|----------|---------------------|---|----------|---------------------|---|---------|---------------------|---|---------|---------------------|---|----------|---------------------|---|---------|---------------------|--|
| | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | |
| 1881 | 14.1 | 3.5 | £ | 23.6 | 6.0 | £ | 23.0 | 5.8 | £ | 11.5 | 2.9 | £ | 40.0 | 10.1 | £ | 3.3 | 0.8 | £ | 4.2 | 1.0 | £ | 9.3 | 2.3 | |
| 1882 | 21.0 | 5.1 | | 25.6 | 6.2 | | 25.3 | 6.1 | | 14.9 | 3.6 | | 39.1 | 9.5 | | 3.5 | 0.8 | | 4.8 | 1.2 | | 7.8 | 1.9 | |
| 1883 | 21.0 | 4.9 | | 27.6 | 6.5 | | 25.1 | 5.9 | | 16.2 | 3.8 | | 38.6 | 9.1 | | 3.4 | 0.8 | | 5.5 | 1.3 | | 10.0 | 2.3 | |
| 1884 | 16.3 | 4.2 | | 23.9 | 6.1 | | 25.9 | 6.6 | | 15.1 | 3.9 | | 37.4 | 9.6 | | 3.2 | 0.8 | | 5.5 | 1.4 | | 9.7 | 2.5 | |
| 1885 | 17.7 | 4.8 | | 23.1 | 6.2 | | 25.0 | 6.7 | | 15.1 | 4.1 | | 35.7 | 9.6 | | 3.0 | 0.8 | | 4.7 | 1.3 | | 8.8 | 2.3 | |
| Total for the Five Years | 90.1 | 4.5 | | 123.8 | 6.2 | | 124.3 | 6.2 | | 72.8 | 3.6 | | 190.8 | 9.6 | | 16.4 | 0.8 | | 24.7 | 1.2 | | 45.6 | 2.3 | |
| 1886 | 13.6 | 3.9 | | 21.4 | 6.1 | | 25.3 | 7.2 | | 14.2 | 4.1 | | 36.6 | 10.5 | | 2.8 | 0.8 | | 4.1 | 1.2 | | 7.2 | 2.1 | |
| 1887 | 16.0 | 4.4 | | 24.6 | 6.8 | | 25.3 | 7.0 | | 14.7 | 4.1 | | 37.1 | 10.3 | | 3.1 | 0.8 | | 3.7 | 1.0 | | 7.7 | 2.1 | |
| 1888 | 26.3 | 6.8 | | 26.7 | 6.9 | | 26.1 | 6.7 | | 15.6 | 4.0 | | 38.9 | 10.7 | | 3.4 | 0.9 | | 4.2 | 1.1 | | 7.3 | 1.9 | |
| 1889 | 27.1 | 6.3 | | 27.1 | 6.4 | | 26.7 | 6.3 | | 17.1 | 4.1 | | 45.8 | 10.7 | | 3.2 | 0.8 | | 5.3 | 1.2 | | 8.6 | 2.0 | |
| 1890 | 23.7 | 5.6 | | 26.1 | 6.2 | | 25.9 | 6.1 | | 17.4 | 4.1 | | 44.8 | 10.7 | | 3.1 | 0.7 | | 4.8 | 1.1 | | 8.4 | 2.0 | |
| Total for the Five Years | 106.7 | 5.5 | | 125.9 | 6.5 | | 129.3 | 6.6 | | 79.6 | 4.1 | | 203.2 | 10.4 | | 15.6 | 0.8 | | 22.1 | 1.1 | | 39.2 | 2.0 | |
| 1891 | 24.1 | 5.5 | | 27.0 | 6.2 | | 27.3 | 6.3 | | 17.3 | 4.0 | | 44.8 | 10.3 | | 3.4 | 0.8 | | 5.4 | 1.3 | | 10.7 | 2.4 | |
| 1892 | 15.1 | 3.6 | | 25.7 | 6.1 | | 28.8 | 6.8 | | 17.0 | 4.0 | | 43.5 | 10.3 | | 3.3 | 0.8 | | 5.5 | 1.3 | | 10.5 | 2.5 | |
| 1893 | 18.6 | 4.6 | | 26.4 | 6.5 | | 28.8 | 7.1 | | 16.8 | 4.2 | | 43.7 | 10.8 | | 3.0 | 0.7 | | 5.0 | 1.2 | | 8.8 | 2.2 | |
| 1894 | 23.6 | 5.8 | | 26.9 | 6.6 | | 27.6 | 6.8 | | 17.1 | 4.2 | | 43.4 | 10.6 | | 3.1 | 0.8 | | 4.9 | 1.2 | | 9.3 | 2.3 | |
| 1895 | 24.7 | 5.9 | | 27.0 | 6.5 | | 28.4 | 6.8 | | 17.5 | 4.2 | | 47.4 | 11.4 | | 3.1 | 0.7 | | 5.8 | 1.4 | | 9.5 | 2.3 | |
| Total for the Five Years | 106.1 | 5.1 | | 133.0 | 6.4 | | 140.9 | 6.7 | | 83.7 | 4.1 | | 222.8 | 10.7 | | 15.9 | 0.8 | | 26.6 | 1.3 | | 48.8 | 2.3 | |
| 1896 | 22.6 | 5.1 | | 27.6 | 6.2 | | 29.2 | 6.6 | | 19.2 | 4.4 | | 50.1 | 11.3 | | 3.2 | 0.7 | | 5.3 | 1.2 | | 9.6 | 2.2 | |
| 1897 | 22.3 | 4.9 | | 26.2 | 5.8 | | 29.0 | 6.4 | | 20.9 | 4.6 | | 53.3 | 11.8 | | 3.3 | 0.7 | | 6.2 | 1.4 | | 9.3 | 2.1 | |
| 1898 | 19.5 | 4.1 | | 28.5 | 6.0 | | 28.5 | 6.0 | | 21.5 | 4.6 | | 51.4 | 10.9 | | 3.3 | 0.8 | | 5.1 | 1.1 | | 8.9 | 1.8 | |
| 1899 | 18.7 | 3.9 | | 30.1 | 6.2 | | 30.5 | 6.3 | | 22.9 | 4.7 | | 53.0 | 10.9 | | 3.6 | 0.7 | | 5.0 | 1.0 | | 10.9 | 2.3 | |
| 1900 | 22.0 | 4.2 | | 31.2 | 6.0 | | 31.4 | 6.0 | | 23.5 | 4.5 | | 53.6 | 10.3 | | 3.4 | 0.7 | | 5.8 | 1.1 | | 12.9 | 2.5 | |
| Total for the Five Years | 105.1 | 4.5 | | 143.6 | 6.1 | | 148.6 | 6.3 | | 108.0 | 4.6 | | 261.4 | 11.0 | | 16.8 | 0.7 | | 27.4 | 1.1 | | 51.6 | 2.2 | |
| 1901 | 21.9 | 4.2 | | 32.2 | 6.2 | | 32.9 | 6.3 | | 24.7 | 4.7 | | 51.2 | 9.8 | | 3.4 | 0.7 | | 5.8 | 1.1 | | 11.9 | 2.3 | |
| 1902 | 25.7 | 4.9 | | 33.6 | 6.3 | | 34.8 | 6.5 | | 26.5 | 5.0 | | 50.6 | 9.6 | | 3.6 | 0.7 | | 6.2 | 1.2 | | 13.8 | 2.6 | |
| Grand Total | 755.1 | 5.2 | | 899.1 | 6.1 | | 847.3 | 5.8 | | 572.5 | 3.9 | | 1575.9 | 10.7 | | 199.5 | 0.9 | | 200.4 | 1.4 | | 495.5 | 2.8 | |

* Including Asiatic Turkey. † Since the opening of the Suez Canal some of the articles formerly entered as imported from Egypt have been entered as imported from the countries of production, principally silk from China.

TABLE VI. (continued).

Statement in detail of the Imports of Merchandise into the United Kingdom from each of certain Foreign Countries and British Possessions, in each Year and Period of Five Years, since 1866, with the Proportions that the Amounts from each Country and Possession bear to the whole Imports in each Year and Period: the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for years subsequent to 1880 stated in millions.

A.—FOREIGN COUNTRIES (continued).

| | UNITED STATES | | BRAZIL | | CHILL | | PERU. | | CHINA: | | JAPAN. | | OTHER FOREIGN COUNTRIES. | | TOTAL FROM FOREIGN COUNTRIES. | |
|--------------------------|---------------|---------------------|---------|---------------------|---------|---------------------|---------|---------------------|----------|---------------------|---------|---------------------|--------------------------|---------------------|-------------------------------|---------------------|
| | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. |
| 1866 | £ 46,854 | 15.9 | £ 7,238 | 2.5 | £ 2,943 | 1.0 | £ 3,022 | 1.0 | £ 10,690 | 3.6 | £ 274 | 0.1 | £ 32,590 | 10.8 | £ 223,084 | 75.3 |
| 1867 | 41,040 | 14.9 | 5,902 | 2.1 | 4,418 | 1.6 | 3,701 | 1.2 | 9,213 | 3.1 | 318 | 0.1 | 33,703 | 12.3 | 214,449 | 77.9 |
| 1868 | 43,062 | 14.6 | 7,456 | 2.5 | 4,367 | 1.5 | 3,400 | 1.1 | 11,217 | 3.8 | 181 | 0.1 | 36,404 | 12.9 | 227,700 | 77.3 |
| 1869 | 42,573 | 14.4 | 7,313 | 2.5 | 3,635 | 1.2 | 3,993 | 1.4 | 9,621 | 3.3 | 167 | 0.1 | 38,515 | 13.0 | 225,044 | 76.2 |
| 1870 | 49,805 | 16.4 | 6,127 | 2.0 | 3,828 | 1.3 | 4,881 | 1.6 | 9,482 | 3.1 | 96 | — | 40,472 | 13.3 | 238,425 | 78.6 |
| Total for the Five Years | 223,340 | 15.3 | 34,036 | 2.3 | 19,191 | 1.3 | 18,997 | 1.3 | 50,153 | 3.4 | 1,036 | 0.1 | 183,184 | 12.5 | 1,128,702 | 77.1 |
| 1871 | 61,135 | 18.5 | 6,694 | 2.0 | 3,798 | 1.1 | 3,972 | 1.2 | 11,830 | 3.6 | 109 | — | 42,107 | 12.8 | 258,071 | 78.0 |
| 1872 | 54,664 | 15.4 | 9,450 | 2.7 | 5,592 | 1.6 | 4,212 | 1.2 | 13,246 | 3.7 | 184 | 0.1 | 50,242 | 14.1 | 275,321 | 77.6 |
| 1873 | 71,472 | 20.2 | 7,400 | 2.0 | 4,764 | 1.3 | 5,220 | 1.4 | 12,454 | 3.4 | 561 | 0.2 | 53,548 | 14.4 | 290,277 | 78.2 |
| 1874 | 73,808 | 20.7 | 7,003 | 1.9 | 4,701 | 1.3 | 4,501 | 1.2 | 11,146 | 3.3 | 573 | 0.1 | 49,104 | 13.3 | 287,920 | 77.8 |
| 1875 | 69,590 | 18.6 | 7,419 | 2.0 | 4,196 | 1.1 | 4,884 | 1.3 | 13,608 | 3.6 | 378 | 0.1 | 48,433 | 13.0 | 289,516 | 77.4 |
| Total for the Five Years | 330,759 | 18.4 | 37,966 | 2.1 | 23,031 | 1.3 | 22,789 | 1.3 | 62,284 | 3.4 | 1,805 | 0.1 | 243,524 | 13.4 | 1,401,105 | 77.8 |
| 1876 | 75,809 | 20.2 | 5,178 | 1.4 | 3,585 | 1.0 | 5,631 | 1.5 | 14,921 | 4.0 | 657 | 0.2 | 47,428 | 12.5 | 290,822 | 77.3 |
| 1877 | 77,850 | 19.7 | 6,345 | 1.6 | 3,286 | 0.8 | 4,697 | 1.2 | 13,421 | 3.4 | 734 | 0.2 | 49,523 | 12.7 | 304,866 | 77.3 |
| 1878 | 96,146 | 24.2 | 4,951 | 1.3 | 2,199 | 0.6 | 5,232 | 1.4 | 13,601 | 3.7 | 629 | 0.2 | 44,594 | 12.0 | 290,835 | 78.9 |
| 1879 | 81,818 | 25.3 | 4,750 | 1.3 | 3,738 | 1.0 | 3,389 | 0.9 | 11,049 | 3.0 | 451 | 0.1 | 44,631 | 12.4 | 284,049 | 78.3 |
| 1880 | 107,081 | 26.0 | 5,261 | 1.3 | 3,457 | 0.8 | 2,653 | 0.7 | 11,826 | 2.9 | 532 | 0.1 | 51,933 | 12.7 | 318,711 | 77.5 |
| Total for the Five Years | 441,770 | 23.1 | 26,185 | 1.4 | 16,259 | 0.9 | 21,602 | 1.1 | 64,818 | 3.4 | 3,003 | 0.2 | 238,109 | 12.5 | 1,489,283 | 77.9 |

| | UNITED STATES. | | BRAZIL. | | CHILI. | | PERU. | | CHINA.† | | JAPAN. | | OTHER FOREIGN COUNTRIES. | | TOTAL FROM FOREIGN COUNTRIES. | |
|--------------------------|----------------|---------------------|---------|---------------------|---------|---------------------|---------|---------------------|---------|---------------------|---------|---------------------|--------------------------|---------------------|-------------------------------|---------------------|
| | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. |
| 1881 | £ | 26.0 | £ | 1.6 | £ | 2.7 | 2.2 | 0.5 | £ | 2.7 | 0.7 | 0.2 | £ | 12.8 | £ | 76.9 |
| 1882 | 88.4 | 21.4 | 6.5 | 1.6 | 3.4 | 0.8 | 2.7 | 0.7 | 10.7 | 2.7 | 0.7 | 0.2 | 50.7 | 12.8 | 305.5 | 76.9 |
| 1883 | 99.2 | 23.3 | 6.1 | 1.4 | 3.4 | 0.8 | 2.2 | 0.5 | 10.1 | 2.4 | 0.7 | 0.2 | 58.7 | 14.5 | 313.6 | 76.9 |
| 1884 | 86.3 | 22.1 | 4.7 | 1.2 | 2.6 | 0.6 | 2.1 | 0.5 | 10.1 | 2.4 | 0.7 | 0.2 | 51.0 | 13.7 | 328.2 | 76.9 |
| 1885 | 86.5 | 23.3 | 4.1 | 1.1 | 2.5 | 0.7 | 1.9 | 0.5 | 8.6 | 2.3 | 0.5 | 0.1 | 49.4 | 13.1 | 294.2 | 75.4 |
| Total for the Five Years | 463.6 | 23.2 | 27.7 | 1.4 | 14.6 | 0.7 | 11.1 | 0.5 | 49.4 | 2.5 | 3.3 | 0.2 | 269.8 | 13.5 | 286.5 | 77.3 |
| 1886 | 82.0 | 23.4 | 3.5 | 1.0 | 2.3 | 0.7 | 1.7 | 0.5 | 8.0 | 2.3 | 0.6 | 0.2 | 44.7 | 12.6 | 268.0 | 76.6 |
| 1887 | 83.0 | 22.9 | 5.4 | 1.5 | 2.2 | 0.6 | 1.6 | 0.5 | 6.7 | 1.8 | 0.5 | 0.1 | 40.8 | 13.0 | 278.4 | 76.9 |
| 1888 | 79.8 | 20.6 | 5.2 | 1.3 | 3.1 | 0.8 | 2.0 | 0.5 | 6.5 | 1.7 | 1.0 | 0.3 | 54.6 | 14.1 | 300.7 | 77.6 |
| 1889 | 95.5 | 22.3 | 5.1 | 1.2 | 3.2 | 0.8 | 1.3 | 0.3 | 6.1 | 1.4 | 1.0 | 0.2 | 56.7 | 13.3 | 330.4 | 77.3 |
| 1890 | 97.3 | 23.2 | 4.3 | 1.0 | 3.5 | 0.8 | 1.0 | 0.2 | 4.8 | 1.1 | 1.0 | 0.2 | 58.4 | 14.0 | 324.5 | 77.1 |
| Total for the Five Years | 437.6 | 22.5 | 23.5 | 1.2 | 14.3 | 0.7 | 7.6 | 0.4 | 32.1 | 1.7 | 4.1 | 0.2 | 261.2 | 13.4 | 1502.0 | 77.1 |
| 1891 | 104.4 | 24.0 | 4.3 | 1.0 | 3.7 | 0.8 | 1.0 | 0.2 | 4.7 | 1.1 | 1.2 | 0.3 | 56.7 | 13.0 | 336.0 | 77.2 |
| 1892 | 108.2 | 25.5 | 3.5 | 0.8 | 3.9 | 0.9 | 1.6 | 0.4 | 3.6 | 0.8 | 0.8 | 0.2 | 55.0 | 13.0 | 326.0 | 77.0 |
| 1893 | 91.8 | 22.7 | 4.6 | 1.1 | 3.8 | 0.9 | 1.4 | 0.3 | 3.9 | 0.9 | 1.0 | 0.3 | 55.2 | 13.8 | 312.9 | 77.3 |
| 1894 | 89.6 | 22.0 | 3.9 | 1.0 | 3.7 | 0.8 | 1.1 | 0.3 | 3.5 | 0.9 | 1.0 | 0.2 | 55.7 | 13.2 | 314.4 | 77.0 |
| 1895 | 86.5 | 20.8 | 3.6 | 0.9 | 3.4 | 0.8 | 1.3 | 0.3 | 3.3 | 0.8 | 1.1 | 0.3 | 58.6 | 14.0 | 321.1 | 77.1 |
| Total for the Five Years | 480.5 | 23.0 | 19.9 | 0.9 | 18.5 | 0.9 | 6.4 | 0.3 | 19.0 | 0.9 | 5.1 | 0.2 | 281.2 | 13.5 | 1610.4 | 77.1 |
| 1896 | 106.3 | 24.1 | 4.1 | 0.9 | 3.6 | 0.8 | 1.3 | 0.3 | 3.0 | 0.7 | 1.2 | 0.3 | 62.3 | 14.1 | 348.6 | 78.9 |
| 1897 | 113.0 | 25.1 | 3.7 | 0.8 | 3.2 | 0.7 | 1.5 | 0.3 | 2.7 | 0.6 | 1.3 | 0.2 | 61.1 | 13.6 | 357.0 | 79.1 |
| 1898 | 120.1 | 26.8 | 4.6 | 1.0 | 3.6 | 0.8 | 1.5 | 0.3 | 2.7 | 0.6 | 1.2 | 0.2 | 64.5 | 13.8 | 370.9 | 78.8 |
| 1899 | 120.1 | 24.9 | 4.0 | 0.8 | 4.2 | 0.9 | 1.3 | 0.3 | 3.1 | 0.6 | 1.7 | 0.3 | 69.1 | 14.2 | 378.2 | 78.0 |
| 1900 | 138.8 | 26.5 | 5.9 | 1.1 | 4.8 | 0.9 | 1.3 | 0.2 | 2.3 | 0.5 | 1.5 | 0.3 | 75.1 | 14.3 | 443.5 | 79.1 |
| Total for the Five Years | 604.3 | 25.4 | 22.3 | 1.0 | 19.4 | 0.8 | 6.9 | 0.3 | 13.8 | 0.6 | 6.9 | 0.3 | 332.1 | 14.0 | 1868.2 | 78.8 |
| 1901 | 141.0 | 27.2 | 5.0 | 0.9 | 4.3 | 0.8 | 1.8 | 0.2 | 2.1 | 0.4 | 1.8 | 0.3 | 76.4 | 14.7 | 410.4 | 79.8 |
| 1902 | 127.0 | 24.0 | 6.2 | 1.2 | 4.5 | 0.9 | 1.4 | 0.3 | 2.4 | 0.5 | 1.9 | 0.3 | 83.4 | 15.8 | 421.6 | 79.8 |
| Grand Total | 3249.9 | 22.2 | 262.8 | 1.4 | 134.1 | 0.9 | 98.6 | 0.7 | 296.1 | 2.0 | 28.9 | 0.2 | 1969.9 | 13.5 | 11365.7 | 77.7 |

† Exclusive of Hong Kong and Macao.

TABLE VI. (continued).

Statement in detail of the Imports of Merchandise into the United Kingdom from each of certain Foreign Countries and British Possessions, in each Year and Period of Five Years, since 1866, with the Proportions that the Amounts from each Country and Possession bear to the whole Imports in each Year and Period; the amounts being stated in thousands of pounds, i.e., 100 = 100,000, up to 1880; amounts for Years subsequent to 1880 stated in millions.

B.—BRITISH POSSESSIONS AND TOTALS.

| | BRITISH NORTH AMERICA. | | | BRITISH WEST INDIES AND BRITISH GUIANA. | | | AUSTRALIA AND NEW ZEALAND. | | | BRITISH INDIA. | | | CAPE OF GOOD HOPE AND NATAL. | | | OTHER BRITISH POSSESSIONS. | | | TOTAL FROM BRITISH POSSESSIONS. | | | TOTAL IMPORTS FROM FOREIGN COUNTRIES AND BRITISH POSSESSIONS. | | |
|--------------------------|------------------------|---------------------|--|---|---------------------|--|----------------------------|---------------------|--|----------------|---------------------|--|------------------------------|---------------------|--|----------------------------|---------------------|--|---------------------------------|---------------------|--|---|-----|--|
| | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | Amount. | Per cent. of Total. | | | | |
| 1866 | £ 6,868 | 2'3 | | £ 6,332 | 2'1 | | £ 11,423 | 3'9 | | £ 36,902 | 12'5 | | £ 2,720 | 0'9 | | £ 71,661 | 2'8 | | £ 72,406 | 24'5 | | £ 295,290 | 100 | |
| 1867 | 6,797 | 2'5 | | 5,868 | 2'1 | | 12,884 | 4'7 | | 25,488 | 9'3 | | 2,741 | 1'0 | | 6,966 | 2'5 | | 70,734 | 22'1 | | 275,183 | 100 | |
| 1868 | 6,772 | 2'5 | | 6,566 | 2'2 | | 12,572 | 4'3 | | 30,072 | 10'3 | | 2,715 | 0'9 | | 8,297 | 2'9 | | 66,994 | 22'7 | | 294,694 | 100 | |
| 1869 | 7,725 | 2'6 | | 5,985 | 2'0 | | 12,147 | 4'1 | | 33,245 | 11'3 | | 2,726 | 0'9 | | 8,578 | 2'9 | | 70,416 | 23'8 | | 295,160 | 100 | |
| 1870 | 8,515 | 2'8 | | 5,940 | 2'0 | | 14,075 | 4'6 | | 25,090 | 8'3 | | 2,874 | 0'9 | | 8,338 | 2'8 | | 64,832 | 21'4 | | 303,257 | 100 | |
| Total for the Five Years | 36,657 | 2'5 | | 30,691 | 2'1 | | 63,101 | 4'3 | | 159,797 | 10'3 | | 13,776 | 0'9 | | 40,160 | 2'8 | | 335,182 | 22'9 | | 1,463,884 | 100 | |
| 1871 | 9,202 | 2'8 | | 6,980 | 2'1 | | 14,520 | 4'4 | | 30,737 | 9'3 | | 2,858 | 0'9 | | 8,557 | 2'5 | | 72,944 | 22'0 | | 331,015 | 100 | |
| 1872 | 9,131 | 2'6 | | 6,445 | 1'8 | | 15,026 | 4'4 | | 33,682 | 0'5 | | 3,718 | 1'0 | | 10,771 | 3'1 | | 79,373 | 22'4 | | 354,694 | 100 | |
| 1873 | 11,728 | 3'2 | | 6,475 | 1'7 | | 17,263 | 4'6 | | 29,891 | 8'1 | | 4,121 | 1'1 | | 11,532 | 3'1 | | 81,010 | 21'8 | | 371,287 | 100 | |
| 1874 | 11,859 | 3'2 | | 6,169 | 1'7 | | 18,548 | 5'0 | | 31,168 | 8'4 | | 4,297 | 1'2 | | 10,072 | 2'7 | | 82,103 | 22'2 | | 379,083 | 100 | |
| 1875 | 10,213 | 2'7 | | 7,326 | 2'0 | | 20,559 | 5'5 | | 30,137 | 8'1 | | 4,479 | 1'2 | | 11,710 | 3'1 | | 84,424 | 22'6 | | 373,940 | 100 | |
| Total for the Five Years | 52,223 | 2'9 | | 33,415 | 1'9 | | 86,516 | 4'8 | | 155,645 | 8'6 | | 19,473 | 1'1 | | 52,642 | 2'9 | | 399,914 | 22'2 | | 1,801,019 | 100 | |
| 1876 | 11,024 | 2'9 | | 6,804 | 1'8 | | 21,062 | 5'9 | | 30,025 | 8'0 | | 4,193 | 1'1 | | 10,235 | 2'8 | | 84,333 | 22'5 | | 375,155 | 100 | |
| 1877 | 12,026 | 3'1 | | 6,935 | 1'8 | | 21,722 | 5'5 | | 31,225 | 7'9 | | 4,275 | 1'1 | | 13,351 | 3'3 | | 89,554 | 22'7 | | 394,420 | 100 | |
| 1878 | 9,531 | 2'6 | | 6,150 | 1'7 | | 20,535 | 5'7 | | 27,470 | 7'4 | | 4,281 | 1'2 | | 9,549 | 2'5 | | 77,936 | 21'1 | | 368,771 | 100 | |
| 1879 | 10,440 | 2'9 | | 7,066 | 1'9 | | 21,995 | 6'2 | | 24,698 | 6'8 | | 4,610 | 1'3 | | 10,158 | 2'7 | | 78,943 | 21'7 | | 369,992 | 100 | |
| 1880 | 13,386 | 3'3 | | 6,571 | 1'6 | | 25,663 | 6'2 | | 30,118 | 7'3 | | 5,639 | 1'4 | | 11,139 | 2'7 | | 92,519 | 22'5 | | 411,230 | 100 | |
| Total for the Five Years | 56,426 | 3'0 | | 33,616 | 1'8 | | 112,177 | 5'9 | | 143,536 | 7'5 | | 23,098 | 1'2 | | 54,432 | 2'7 | | 423,285 | 22'1 | | 1,912,568 | 100 | |

| | BRITISH NORTH AMERICA. | | BRITISH WEST INDIES AND BRITISH GUIANA. | | AUSTRALIA AND NEW ZEALAND. | | BRITISH INDIA. | | CAPE OF GOOD HOPE AND NATAL. | | OTHER BRITISH POSSESSIONS. | | TOTAL FROM BRITISH POSSESSIONS. | | TOTAL IMPORTS FROM FOREIGN COUNTRIES AND BRITISH POSSESSIONS. | |
|--------------------------|------------------------|---------------------|---|---------------------|----------------------------|---------------------|----------------|---------------------|------------------------------|---------------------|----------------------------|---------------------|---------------------------------|---------------------|---|---------------------|
| | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. | Amount. | Per cent. of Total. |
| 1881 | 11'3 | 2'9 | 5'7 | 1'4 | 27'0 | 6'8 | 32'6 | 8'2 | 5'4 | 1'4 | 9'5 | 2'4 | 91'5 | 23'1 | 397'0 | 100. |
| 1882 | 10'4 | 2'5 | 6'5 | 1'6 | 25'2 | 6'1 | 39'9 | 9'6 | 6'3 | 1'5 | 11'1 | 2'7 | 90'4 | 23'0 | 413'0 | 100. |
| 1883 | 12'3 | 2'9 | 4'9 | 1'1 | 25'9 | 6'1 | 38'9 | 9'1 | 5'9 | 1'4 | 10'8 | 2'5 | 98'7 | 23'1 | 426'9 | 100. |
| 1884 | 11'0 | 2'8 | 4'9 | 1'3 | 26'3 | 7'3 | 34'4 | 8'8 | 5'9 | 1'5 | 11'2 | 2'9 | 95'8 | 24'6 | 390'0 | 100. |
| 1885 | 10'3 | 2'8 | 4'0 | 1'1 | 23'3 | 6'3 | 31'9 | 8'6 | 4'5 | 1'2 | 10'4 | 2'8 | 84'4 | 22'7 | 370'9 | 100. |
| Total for the Five Years | 55'3 | 2'8 | 26'0 | 1'3 | 129'7 | 6'5 | 177'7 | 8'9 | 28'0 | 1'4 | 53'0 | 2'7 | 469'9 | 23'6 | 1997'8 | 100. |
| 1886 | | | | | | | | | | | | | | | | |
| 1887 | 10'4 | 3'0 | 2'9 | 0'8 | 21'0 | 6'0 | 32'1 | 9'2 | 4'6 | 1'3 | 10'9 | 3'1 | 81'9 | 23'4 | 349'9 | 100. |
| 1888 | 9'3 | 2'4 | 3'4 | 0'9 | 25'9 | 6'6 | 30'8 | 7'9 | 5'6 | 1'5 | 12'0 | 3'1 | 80'9 | 22'4 | 362'2 | 100. |
| 1889 | 12'2 | 2'8 | 3'4 | 0'8 | 26'8 | 6'3 | 36'2 | 8'5 | 6'1 | 1'4 | 12'6 | 2'9 | 97'3 | 22'7 | 387'6 | 100. |
| 1890 | 12'4 | 3'0 | 2'7 | 0'6 | 29'3 | 7'0 | 32'7 | 7'8 | 6'1 | 1'4 | 12'9 | 3'1 | 96'2 | 22'9 | 420'7 | 100. |
| Total for the Five Years | 54'9 | 2'8 | 15'4 | 0'8 | 126'3 | 6'5 | 162'4 | 8'3 | 27'5 | 1'4 | 59'6 | 3'1 | 446'1 | 22'9 | 1948'1 | 100. |
| 1891 | | | | | | | | | | | | | | | | |
| 1892 | 12'6 | 2'9 | 2'4 | 0'5 | 31'3 | 7'2 | 32'2 | 7'4 | 6'3 | 1'4 | 14'7 | 3'4 | 99'5 | 22'8 | 435'5 | 100. |
| 1893 | 14'6 | 3'4 | 2'9 | 0'7 | 30'5 | 7'2 | 30'5 | 7'2 | 5'5 | 1'3 | 13'8 | 3'2 | 97'8 | 23'0 | 423'8 | 100. |
| 1894 | 12'9 | 3'1 | 2'5 | 0'6 | 29'9 | 7'4 | 26'2 | 6'5 | 5'0 | 1'4 | 14'3 | 3'5 | 91'8 | 22'7 | 404'7 | 100. |
| 1895 | 13'4 | 3'2 | 2'6 | 0'6 | 33'4 | 8'0 | 26'4 | 6'4 | 5'4 | 1'3 | 14'3 | 3'4 | 93'9 | 23'0 | 408'3 | 100. |
| Total for the Five Years | 66'8 | 3'2 | 13'2 | 0'6 | 156'9 | 7'5 | 142'9 | 6'9 | 27'7 | 1'3 | 70'8 | 3'4 | 478'5 | 22'9 | 2088'9 | 100. |
| 1896 | | | | | | | | | | | | | | | | |
| 1897 | 16'4 | 3'7 | 2'5 | 0'6 | 29'4 | 6'7 | 25'3 | 5'7 | 5'3 | 1'2 | 14'3 | 3'2 | 91'2 | 21'1 | 441'8 | 100. |
| 1898 | 19'6 | 4'4 | 2'0 | 0'4 | 29'4 | 6'5 | 24'8 | 5'5 | 4'9 | 1'1 | 13'4 | 3'0 | 94'0 | 20'9 | 451'0 | 100. |
| 1899 | 20'8 | 4'4 | 1'9 | 0'5 | 28'9 | 6'1 | 27'5 | 5'9 | 6'2 | 1'3 | 14'6 | 3'1 | 99'6 | 21'2 | 480'5 | 100. |
| 1900 | 20'7 | 4'3 | 1'9 | 0'4 | 33'3 | 6'9 | 27'4 | 5'7 | 6'1 | 1'2 | 17'0 | 3'5 | 100'8 | 22'0 | 485'6 | 100. |
| 1901 | 22'2 | 4'2 | 2'3 | 0'4 | 35'4 | 6'8 | 27'4 | 5'2 | 4'0 | 0'8 | 18'2 | 3'5 | 109'5 | 20'9 | 523'0 | 100. |
| Total for the Five Years | 99'7 | 4'2 | 10'6 | 0'4 | 156'4 | 6'6 | 132'4 | 5'6 | 26'5 | 1'1 | 77'5 | 3'3 | 503'1 | 21'2 | 2371'3 | 100. |
| 1902 | | | | | | | | | | | | | | | | |
| 1903 | 20'4 | 3'9 | 2'3 | 0'4 | 34'8 | 6'7 | 27'4 | 5'2 | 5'1 | 1'0 | 15'6 | 3'0 | 105'6 | 20'2 | 522'0 | 100. |
| 1904 | 23'6 | 4'5 | 2'7 | 0'5 | 30'6 | 5'8 | 28'7 | 5'4 | 5'7 | 1'1 | 15'5 | 2'9 | 106'8 | 20'2 | 538'4 | 100. |
| Grand Total | 466'0 | 3'2 | 171'0 | 1'2 | 896'5 | 6'1 | 1121'6 | 7'7 | 176'9 | 1'2 | 439'2 | 3'0 | 3468'3 | 22'3 | 14634'0 | 100. |

TABLE VII.

Statement compiled from the two previous Tables, showing the Proportion of the Total Foreign Trade of the United Kingdom—Imports and Exports of Merchandise—carried on with each of the undermentioned Foreign Countries and British Possessions, in each Year and Period of Five Years since 1866.

| | FOREIGN COUNTRIES. | | | | | | | |
|------------------|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | Russia. | Germany. | Holland. | Belgium. | France. | Italy. | Turkey. | Egypt. |
| | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. |
| 1866 | 5'0 | 8'3 | 5'0 | 2'7 | 11'9 | 2'0 | 2'5 | 4'3 |
| 1867 | 5'9 | 9'7 | 5'1 | 3'0 | 11'3 | 1'8 | 2'2 | 4'8 |
| 1868 | 5'2 | 9'7 | 5'4 | 3'2 | 11'0 | 1'9 | 2'7 | 4'5 |
| 1869 | 4'9 | 9'5 | 5'7 | 3'4 | 10'7 | 2'1 | 2'8 | 4'7 |
| 1870 | 5'6 | 7'9 | 5'8 | 3'7 | 10'9 | 1'9 | 2'6 | 4'2 |
| For the 5 Years | 5'3 | 9'0 | 5'4 | 3'2 | 11'2 | 1'9 | 2'6 | 4'5 |
| 1871 | 5'5 | 9'4 | 5'9 | 4'3 | 10'3 | 2'0 | 2'2 | 3'8 |
| 1872 | 5'0 | 9'3 | 5'6 | 3'9 | 10'5 | 1'8 | 2'0 | 3'6 |
| 1873 | 4'8 | 8'3 | 5'5 | 4'0 | 10'6 | 1'8 | 2'1 | 3'0 |
| 1874 | 4'9 | 8'2 | 5'4 | 4'1 | 11'4 | 1'7 | 2'0 | 2'1 |
| 1875 | 4'9 | 8'5 | 5'3 | 4'4 | 11'3 | 2'0 | 2'0 | 2'1 |
| For the 5 Years | 5'0 | 8'8 | 5'5 | 4'1 | 10'8 | 1'8 | 2'1 | 2'9 |
| 1876 | 4'1 | 8'0 | 5'6 | 4'2 | 11'8 | 1'9 | 2'2 | 2'2 |
| 1877 | 4'4 | 8'5 | 5'5 | 3'8 | 11'1 | 1'8 | 2'0 | 2'1 |
| 1878 | 4'4 | 8'6 | 5'9 | 3'9 | 11'1 | 1'6 | 2'1 | 1'4 |
| 1879 | 4'3 | 8'4 | 6'1 | 3'7 | 10'6 | 1'5 | 1'8 | 1'8 |
| 1880 | 3'9 | 7'7 | 6'0 | 3'5 | 10'0 | 1'4 | 1'6 | 1'8 |
| For the 5 Years | 4'2 | 8'2 | 5'8 | 3'8 | 10'9 | 1'6 | 1'9 | 1'9 |
| 1881 | 3'3 | 7'6 | 5'5 | 3'6 | 10'1 | 1'6 | 1'7 | 1'8 |
| 1882 | 4'1 | 7'8 | 5'8 | 4'2 | 9'6 | 1'5 | 1'6 | 1'5 |
| 1883 | 3'9 | 8'2 | 5'6 | 4'2 | 9'3 | 1'6 | 1'8 | 1'8 |
| 1884 | 3'5 | 7'9 | 6'4 | 4'4 | 9'3 | 1'6 | 1'8 | 1'9 |
| 1885 | 3'9 | 7'8 | 6'4 | 4'5 | 9'2 | 1'6 | 1'8 | 1'9 |
| For the 5 Years | 3'7 | 7'9 | 5'9 | 4'2 | 9'5 | 1'6 | 1'7 | 1'8 |
| 1886 | 4'0 | 7'7 | 6'5 | 4'2 | 9'2 | 1'6 | 1'7 | 1'7 |
| 1887 | 3'5 | 8'1 | 6'3 | 4'3 | 9'0 | 1'8 | 1'5 | 1'7 |
| 1888 | 5'0 | 7'9 | 6'1 | 4'2 | 9'2 | 1'5 | 1'4 | 1'5 |
| 1889 | 4'8 | 7'9 | 5'9 | 4'2 | 9'1 | 1'5 | 1'7 | 1'6 |
| 1890 | 4'4 | 7'3 | 5'6 | 4'1 | 9'3 | 1'6 | 1'6 | 1'6 |
| For the 5 Years | 4'3 | 7'8 | 6'1 | 4'2 | 9'2 | 1'6 | 1'6 | 1'6 |
| 1891 | 4'3 | 7'7 | 5'7 | 4'1 | 9'3 | 1'4 | 1'7 | 2'0 |
| 1892 | 3'4 | 7'7 | 6'2 | 4'2 | 9'1 | 1'3 | 1'7 | 2'0 |
| 1893 | 4'4 | 8'0 | 6'5 | 4'4 | 9'3 | 1'3 | 1'6 | 1'8 |
| 1894 | 5'2 | 8'2 | 6'1 | 4'4 | 9'2 | 1'4 | 1'7 | 2'0 |
| 1895 | 5'0 | 8'6 | 5'6 | 4'2 | 9'6 | 1'3 | 1'6 | 1'8 |
| For the 5 Years | 4'5 | 8'0 | 6'0 | 4'3 | 9'3 | 1'3 | 1'7 | 1'9 |
| 1896 | 4'6 | 8'3 | 5'6 | 4'3 | 9'6 | 1'2 | 1'4 | 1'8 |
| 1897 | 4'6 | 8'0 | 5'7 | 4'8 | 9'8 | 1'3 | 1'8 | 1'9 |
| 1898 | 4'4 | 8'1 | 5'4 | 4'6 | 9'4 | 1'3 | 1'5 | 1'7 |
| 1899 | 4'3 | 8'4 | 5'4 | 4'5 | 9'3 | 1'4 | 1'3 | 2'0 |
| 1900 | 4'4 | 8'0 | 5'3 | 4'4 | 9'1 | 1'5 | 1'3 | 2'1 |
| For the 5 Years | 4'5 | 8'1 | 5'5 | 4'5 | 9'4 | 1'3 | 1'5 | 1'9 |
| 1901 | 4'2 | 7'6 | 5'4 | 4'3 | 8'6 | 1'5 | 1'5 | 2'1 |
| 1902 | 4'4 | 7'6 | 5'5 | 4'4 | 8'4 | 1'3 | 1'4 | 2'3 |
| For the 37 Years | 4'5 | 8'2 | 5'7 | 4'1 | 9'9 | 1'6 | 1'8 | 2'3 |

TABLE VII. (continued).

Statement compiled from the two previous Tables, showing the proportion of the Total Foreign Trade of the United Kingdom—Imports and Exports of Merchandise—carried on with each of the undermentioned Foreign Countries and British Possessions, in each Year and Period of Five Years since 1866.

| | FOREIGN COUNTRIES (continued). | | | | | | | |
|-----------------|--------------------------------|-----------|-----------|-----------|-----------|-----------|--------------------------|--------------------------|
| | United States. | Brazil. | Chili. | Peru. | China. | Japan. | Other Foreign Countries. | Total Foreign Countries. |
| | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. |
| 1866 | 14'7 | 2'7 | 0'9 | 0'8 | 3'0 | 0'3 | 11'7 | 75'8 |
| 1867 | 13'0 | 2'3 | 1'4 | 1'0 | 2'9 | 0'4 | 12'4 | 77'2 |
| 1868 | 12'8 | 2'5 | 1'2 | 0'9 | 3'4 | 0'3 | 12'2 | 76'9 |
| 1869 | 13'0 | 2'7 | 1'1 | 1'0 | 3'1 | 0'3 | 12'0 | 77'0 |
| 1870 | 14'8 | 2'1 | 1'2 | 1'2 | 2'9 | 0'3 | 12'9 | 78'0 |
| For the 5 Years | 13'7 | 2'5 | 1'2 | 1'0 | 3'0 | 0'3 | 12'2 | 77'0 |
| 1871 | 16'2 | 2'2 | 1'0 | 1'0 | 3'0 | 0'3 | 12'0 | 79'1 |
| 1872 | 15'0 | 2'6 | 1'3 | 1'1 | 3'0 | 0'3 | 13'3 | 78'3 |
| 1873 | 15'9 | 2'2 | 1'2 | 1'2 | 2'6 | 0'4 | 13'9 | 77'7 |
| 1874 | 15'9 | 2'3 | 1'1 | 0'9 | 2'4 | 0'3 | 13'3 | 76'0 |
| 1875 | 14'4 | 2'2 | 1'0 | 1'0 | 2'9 | 0'5 | 12'9 | 75'4 |
| For the 5 Years | 15'5 | 2'3 | 1'1 | 1'1 | 2'8 | 0'4 | 13'1 | 77'3 |
| 1876 | 15'2 | 1'8 | 0'9 | 1'1 | 3'1 | 0'4 | 13'1 | 75'6 |
| 1877 | 15'1 | 2'0 | 0'8 | 0'9 | 2'8 | 0'5 | 13'1 | 74'4 |
| 1878 | 17'4 | 1'8 | 0'6 | 1'1 | 2'9 | 0'6 | 12'2 | 75'6 |
| 1879 | 19'2 | 1'8 | 0'8 | 0'7 | 2'6 | 0'6 | 12'3 | 76'2 |
| 1880 | 20'8 | 1'7 | 0'8 | 0'4 | 2'5 | 0'6 | 12'4 | 75'1 |
| For the 5 Years | 17'6 | 1'8 | 0'8 | 0'8 | 2'8 | 0'5 | 12'8 | 75'4 |
| 1881 | 20'2 | 1'9 | 0'8 | 0'5 | 2'4 | 0'5 | 12'8 | 74'3 |
| 1882 | 17'7 | 1'9 | 0'9 | 0'5 | 2'1 | 0'4 | 13'8 | 73'4 |
| 1883 | 18'6 | 1'8 | 0'8 | 0'4 | 2'0 | 0'4 | 13'8 | 74'2 |
| 1884 | 17'4 | 1'7 | 0'7 | 0'5 | 2'1 | 0'5 | 13'5 | 73'2 |
| 1885 | 18'3 | 1'5 | 0'6 | 0'4 | 2'2 | 0'6 | 12'9 | 73'6 |
| For the 5 Years | 18'4 | 1'7 | 0'8 | 0'4 | 2'2 | 0'5 | 13'4 | 73'7 |
| 1886 | 19'3 | 1'6 | 0'7 | 0'4 | 2'2 | 0'4 | 12'3 | 73'5 |
| 1887 | 19'2 | 1'8 | 0'7 | 0'4 | 2'1 | 0'7 | 13'2 | 74'3 |
| 1888 | 17'6 | 1'7 | 0'8 | 0'5 | 1'9 | 0'8 | 13'9 | 74'0 |
| 1889 | 18'8 | 1'7 | 0'9 | 0'3 | 1'7 | 0'7 | 13'9 | 74'7 |
| 1890 | 19'2 | 1'7 | 0'9 | 0'3 | 1'5 | 0'7 | 14'7 | 74'5 |
| For the 5 Years | 18'8 | 1'7 | 0'8 | 0'4 | 1'9 | 0'7 | 13'7 | 74'2 |
| 1891 | 19'5 | 1'7 | 0'8 | 0'3 | 1'5 | 0'6 | 13'5 | 74'1 |
| 1892 | 20'9 | 1'6 | 1'1 | 0'3 | 1'3 | 0'6 | 13'6 | 75'0 |
| 1893 | 18'7 | 1'8 | 1'0 | 0'3 | 1'3 | 0'7 | 13'9 | 75'0 |
| 1894 | 17'7 | 1'7 | 0'9 | 0'2 | 1'2 | 0'7 | 14'1 | 74'7 |
| 1895 | 18'6 | 1'6 | 0'9 | 0'3 | 1'2 | 0'8 | 14'5 | 75'6 |
| For the 5 Years | 19'1 | 1'7 | 1'0 | 0'3 | 1'3 | 0'7 | 13'7 | 74'8 |
| 1896 | 18'7 | 1'5 | 0'9 | 0'3 | 1'3 | 1'0 | 14'6 | 75'1 |
| 1897 | 20'3 | 1'3 | 0'7 | 0'3 | 1'1 | 1'0 | 13'1 | 75'7 |
| 1898 | 20'2 | 1'4 | 0'7 | 0'3 | 1'0 | 0'8 | 14'4 | 75'2 |
| 1899 | 21'6 | 1'2 | 0'8 | 0'3 | 1'2 | 1'4 | 12'2 | 75'3 |
| 1900 | 20'1 | 1'4 | 1'0 | 0'3 | 0'9 | 1'3 | 14'8 | 75'9 |
| For the 5 Years | 20'2 | 1'4 | 0'8 | 0'3 | 1'1 | 1'1 | 13'8 | 75'4 |
| 1901 | 20'5 | 1'1 | 0'9 | 0'3 | 1'0 | 1'2 | 14'7 | 74'9 |
| 1902 | 19'4 | 1'3 | 0'8 | 0'3 | 1'1 | 0'8 | 15'4 | 74'4 |
| For the 37 Year | 17'8 | 1'8 | 0'9 | 0'6 | 2'1 | 0'6 | 13'5 | 75'4 |

TABLE VII. (continued).

Statement compiled from the two previous Tables, showing the Proportion of the Total Foreign Trade of the United Kingdom—Imports and Exports of Merchandise—carried on with each of the undermentioned British Possessions, in each Year and Period of Five Years since 1866.

| | BRITISH POSSESSIONS. | | | | | | | |
|-------------------|------------------------|-----------------------------|----------------------------|----------------|----------------------------|--------------------------|--------------------------|--------------|
| | British North America. | Brit. West Indies & Guiana. | Australia and New Zealand. | British India. | Cape of G. Hope and Natal. | Other Brit. Possessions. | Total Brit. Possessions. | Grand Total. |
| | Per cent. | Per ce. | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. |
| 1866 | 2.7 | 1.7 | 4.9 | 10.8 | 0.8 | 3.3 | 24.2 | 100 |
| 1867 | 2.7 | 1.7 | 4.6 | 9.6 | 0.9 | 3.3 | 22.8 | 100 |
| 1868 | 2.4 | 1.8 | 4.9 | 10.0 | 0.8 | 3.2 | 23.1 | 100 |
| 1869 | 2.6 | 1.6 | 5.0 | 9.7 | 0.8 | 3.3 | 23.0 | 100 |
| 1870 | 2.9 | 1.7 | 4.5 | 8.3 | 0.9 | 3.7 | 22.0 | 100 |
| For the 5 Years. | 2.7 | 1.7 | 4.8 | 9.7 | 0.9 | 3.2 | 23.0 | 100 |
| 1871 | 3.0 | 1.7 | 4.2 | 8.1 | 0.8 | 3.1 | 20.9 | 100 |
| 1872 | 3.1 | 1.5 | 4.6 | 7.9 | 1.2 | 3.4 | 21.7 | 100 |
| 1873 | 3.1 | 1.5 | 5.3 | 7.7 | 1.3 | 3.4 | 22.3 | 100 |
| 1874 | 3.3 | 1.5 | 5.9 | 8.5 | 1.3 | 3.5 | 24.0 | 100 |
| 1875 | 3.0 | 1.6 | 6.4 | 8.5 | 1.5 | 3.6 | 24.6 | 100 |
| For the 5 Years. | 3.1 | 1.5 | 5.3 | 8.1 | 1.2 | 3.5 | 22.7 | 100 |
| 1876 | 3.0 | 1.6 | 6.6 | 8.5 | 1.4 | 3.3 | 24.4 | 100 |
| 1877 | 3.1 | 1.6 | 6.7 | 8.9 | 1.4 | 3.9 | 25.6 | 100 |
| 1878 | 2.7 | 1.5 | 6.0 | 8.5 | 1.6 | 3.8 | 24.4 | 100 |
| 1879 | 2.7 | 1.6 | 6.5 | 7.8 | 1.8 | 3.4 | 23.8 | 100 |
| 1880 | 3.1 | 1.4 | 6.4 | 8.9 | 1.8 | 3.3 | 24.0 | 100 |
| For the 5 Years. | 2.9 | 1.5 | 6.6 | 8.5 | 1.6 | 3.5 | 24.6 | 100 |
| 1881 | 3.0 | 1.2 | 7.3 | 9.2 | 1.9 | 3.1 | 25.7 | 100 |
| 1882 | 2.9 | 1.4 | 7.4 | 9.8 | 2.0 | 3.1 | 26.6 | 100 |
| 1883 | 3.0 | 1.2 | 7.2 | 9.9 | 1.5 | 3.0 | 25.8 | 100 |
| 1884 | 3.0 | 1.2 | 8.0 | 9.7 | 1.5 | 3.4 | 26.8 | 100 |
| 1885 | 2.9 | 1.0 | 8.0 | 9.8 | 1.3 | 3.4 | 26.4 | 100 |
| For the 5 Years. | 3.0 | 1.2 | 7.6 | 9.7 | 1.6 | 3.2 | 26.3 | 100 |
| 1886 | 3.1 | 0.9 | 7.4 | 10.5 | 1.3 | 3.3 | 26.5 | 100 |
| 1887 | 3.1 | 0.9 | 7.1 | 9.7 | 1.6 | 3.3 | 25.7 | 100 |
| 1888 | 2.6 | 1.0 | 7.9 | 9.4 | 1.8 | 3.3 | 26.0 | 100 |
| 1889 | 2.9 | 0.9 | 7.4 | 9.2 | 2.1 | 2.8 | 25.3 | 100 |
| 1890 | 2.8 | 0.8 | 7.9 | 9.1 | 2.1 | 2.8 | 25.5 | 100 |
| For the 5 Years. | 2.9 | 0.9 | 7.5 | 9.6 | 1.8 | 3.1 | 25.8 | 100 |
| 1891 | 2.8 | 0.8 | 8.0 | 8.6 | 2.0 | 3.7 | 25.9 | 100 |
| 1892 | 3.2 | 0.8 | 7.3 | 8.3 | 2.0 | 3.4 | 25.0 | 100 |
| 1893 | 3.4 | 0.9 | 6.9 | 8.1 | 2.3 | 3.4 | 25.0 | 100 |
| 1894 | 3.0 | 0.9 | 7.3 | 8.5 | 2.2 | 3.5 | 25.3 | 100 |
| 1895 | 2.9 | 0.8 | 7.5 | 7.4 | 2.4 | 3.4 | 24.4 | 100 |
| For the 5 Years. | 3.1 | 0.8 | 7.4 | 8.2 | 2.2 | 3.5 | 25.2 | 100 |
| 1896 | 3.1 | 0.8 | 7.3 | 7.6 | 2.7 | 3.4 | 24.9 | 100 |
| 1897 | 3.5 | 0.6 | 7.1 | 7.1 | 2.6 | 3.4 | 24.3 | 100 |
| 1898 | 3.7 | 0.6 | 6.8 | 7.6 | 2.5 | 3.6 | 24.8 | 100 |
| 1899 | 3.6 | 0.6 | 7.1 | 7.3 | 2.4 | 3.7 | 24.7 | 100 |
| 1900 | 3.6 | 0.6 | 7.4 | 6.7 | 2.0 | 3.8 | 24.1 | 100 |
| For the 5 Years. | 3.5 | 0.6 | 7.1 | 7.3 | 2.4 | 3.7 | 24.6 | 100 |
| 1901 | 3.5 | 0.6 | 7.4 | 7.3 | 2.8 | 3.5 | 25.1 | 100 |
| 1902 | 4.1 | 0.6 | 6.6 | 7.1 | 3.7 | 3.5 | 25.6 | 100 |
| For the 37 Years. | 3.1 | 1.1 | 6.7 | 8.7 | 1.8 | 3.4 | 24.6 | 100 |

TABLE VIII.

Statement showing the Value of Imports of Merchandise into Germany from the under-mentioned Countries, and of Exports thereof from Germany to the same Countries in the Years 1868 to 1877, made up from the Statistics of the different Countries named (in the absence of official German statistics) by treating the Exports from them to Germany as Imports into Germany, and the Imports from Germany into them as Exports from Germany; in thousands of Francs and Pounds sterling—i.e., 100 = 100,000.

| Years. | IMPORTS INTO GERMANY FROM | | | | | | | EXCESS OF IMPORTS. | |
|--------|---------------------------|----------|--------------------------------|------------------|--------|-------------------|--------------------------------|-------------------------|----------------------------------|
| | France. | Belgium. | Gt. Britain and British India. | Switzerland. | Italy. | United States.* † | Total of Enumerated Countries. | In Thousands of Francs. | In Thousands of Pounds Sterling. |
| | F. | F. | F. | Cannot be given. | F. | F. | F. | F. | £ |
| 1868 | 215,000 | 107,647 | 808,654 | | 5,316 | 110,099 | 1,246,716 | 290,160 | 11,606 |
| 1869 | 305,000 | 121,276 | 803,716 | | 3,022 | 139,133 | 1,372,147 | 399,488 | 15,979 |
| 1870 | 104,000 | 138,535 | 708,014 | | 4,774 | 174,390 | 1,129,713 | 365,617 | 14,624 |
| 1871 | 199,000 | 209,085 | 971,234 | | 8,171 | 158,079 | 1,545,569 | 529,397 | 21,176 |
| 1872 | 410,000 | 240,277 | 1,083,667 | | 7,600 | 185,101 | 1,926,645 | 662,755 | 26,510 |
| 1873 | 463,000 | 266,064 | 919,239 | | 13,815 | 271,864 | 1,933,982 | 609,705 | 24,388 |
| 1874 | 414,000 | 243,120 | 883,241 | | 18,569 | 286,315 | 1,845,245 | 607,896 | 24,316 |
| 1875 | 427,000 | 244,272 | 856,539 | | 23,634 | 226,558 | 1,778,003 | 464,312 | 18,572 |
| 1876 | 431,000 | 244,322 | 748,330 | | 20,599 | 224,247 | 1,668,504 | 331,881 | 13,275 |
| 1877 | 395,000 | 222,767 | 732,028 | | 16,615 | 276,639 | 1,643,049 | 203,647 | 8,146 |

| Years. | EXPORTS FROM GERMANY TO | | | | | | | EXCESS OF EXPORTS. | |
|--------|-------------------------|----------|--------------------------------|------------------|--------|------------------|--------------------------------|-------------------------|----------------------------------|
| | France. | Belgium. | Gt. Britain and British India. | Switzerland. | Italy. | United States. † | Total of Enumerated Countries. | In Thousands of Francs. | In Thousands of Pounds Sterling. |
| | F. | F. | F. | Cannot be given. | F. | F. | F. | F. | £ |
| 1868 | 266,000 | 111,549 | 454,614 | | 8,028 | 116,365 | 956,556 | — | — |
| 1869 | 256,000 | 116,160 | 459,930 | | 10,107 | 130,462 | 972,659 | — | — |
| 1870 | 103,000 | 121,688 | 386,013 | | 12,917 | 140,478 | 764,096 | — | — |
| 1871 | 160,000 | 230,244 | 482,421 | | 13,019 | 130,488 | 1,016,172 | — | — |
| 1872 | 358,000 | 168,554 | 481,084 | | 14,884 | 240,468 | 1,263,890 | — | — |
| 1873 | 311,000 | 171,530 | 498,747 | | 23,710 | 319,290 | 1,324,277 | — | — |
| 1874 | 315,000 | 166,852 | 499,266 | | 27,899 | 228,332 | 1,237,349 | — | — |
| 1875 | 349,000 | 171,597 | 440,498 | | 37,312 | 209,284 | 1,313,691 | — | — |
| 1876 | 389,000 | 195,763 | 528,107 | | 40,089 | 183,664 | 1,336,623 | — | — |
| 1877 | 373,000 | 214,767 | 657,387 | | 25,202 | 169,046 | 1,439,402 | — | — |

* The values of the United States exports to Germany have been reduced from currency to specie values.

† The returns for the United States are for years ending 30th June.

TABLE IX.

Statement showing the Total Value of Merchandise Imported into, and Exported from, France, in the Years 1868 to 1877, according to the French official Returns; in thousands of francs, i.e., 100 = 100,000.

NOTE.—The figures are those of the French "Special" Trade, viz., Imports for Domestic Use and Manufacture, and Exports of Domestic Produce and Manufacture.

| Years. | Total Imports. | Total Exports. | Excess of Imports. In Thousands of Francs and Thou- sands of £ sterling. | Excess of Exports. In Thousands of Francs and Thou- sands of £ sterling. |
|--------|----------------|----------------|---|---|
| | Francs. | Francs. | | |
| 1868 | 3,303,700 | 2,789,900 | { F. 513,800 } { £ 20,552 } | — |
| 1869 | 3,153,100 | 3,074,900 | { F. 78,200 } { £ 3,128 } | — |
| 1870 | 2,781,400 | 2,802,100 | — | { F. 20,700 } { £ 828 } |
| 1871 | 3,566,700 | 2,872,500 | { F. 694,200 } { £ 27,768 } | — |
| 1872 | 3,570,300 | 3,761,600 | — | { F. 191,300 } { £ 7,652 } |
| 1873 | 3,554,800 | 3,787,300 | — | { F. 232,500 } { £ 9,300 } |
| 1874 | 3,507,700 | 3,701,100 | — | { F. 193,400 } { £ 7,736 } |
| 1875 | 3,536,700 | 3,872,600 | — | { F. 335,900 } { £ 13,436 } |
| 1876 | 3,988,400 | 3,575,600 | { F. 412,800 } { £ 16,512 } | — |
| 1877 | 3,669,800 | 3,436,300 | { F. 233,500 } { £ 9,340 } | — |

TABLE X.

Statement showing the Value of Imports of Merchandise into France from the under-mentioned Countries, and Exports thereof from France to the same Countries, according to the French official Returns, in the Years 1868 to 1877, covering the period of the payment of the Indemnity to Germany; in thousands of francs, i.e., 100 = 100,000.

| Years. | IMPORTS. | | | | | | | EXCESS OF IMPORTS. | |
|--------|----------|----------|--------------------------------|--------------|---------|----------------|--------------------------------|-------------------------|----------------------------------|
| | Germany. | Belgium. | Gt. Britain and British India. | Switzerland. | Italy. | United States. | Total of Enumerated Countries. | In Thousands of Francs. | In Thousands of Pounds sterling. |
| | F. | F. | £ | F. | F. | F. | F. | F. | £ |
| 1868 | 266,000 | 354,000 | 679,000 | 141,000 | 327,000 | 156,000 | 1,923,000 | — | — |
| 1869 | 256,000 | 316,000 | 687,000 | 133,000 | 321,000 | 174,000 | 1,887,000 | — | — |
| 1870 | 103,000 | 272,000 | 646,000 | 102,000 | 235,000 | 218,000 | 1,576,000 | — | — |
| 1871 | 160,000 | 476,000 | 920,000 | 105,000 | 441,000 | 190,000 | 2,292,000 | 189,000 | 7,560 |
| 1872 | 358,000 | 440,000 | 764,000 | 97,000 | 375,000 | 205,000 | 2,239,000 | — | — |
| 1873 | 311,000 | 475,000 | 673,000 | 92,000 | 346,000 | 199,000 | 2,096,000 | — | — |
| 1874 | 315,000 | 409,000 | 697,000 | 96,000 | 289,000 | 241,000 | 2,047,000 | — | — |
| 1875 | 349,000 | 439,000 | 753,000 | 94,000 | 322,000 | 190,000 | 2,147,000 | — | — |
| 1876 | 389,000 | 404,000 | 789,000 | 110,000 | 415,000 | 265,000 | 2,372,000 | — | — |
| 1877 | 373,000 | 409,000 | 724,000 | 96,000 | 342,000 | 258,000 | 2,202,000 | — | — |

| Years. | EXPORTS. | | | | | | | EXCESS OF EXPORTS. | |
|--------|----------|----------|--------------------------------|--------------|---------|----------------|--------------------------------|-------------------------|----------------------------------|
| | Germany. | Belgium. | Gt. Britain and British India. | Switzerland. | Italy. | United States. | Total of Enumerated Countries. | In Thousands of Francs. | In Thousands of Pounds sterling. |
| | F. | F. | F. | F. | F. | F. | F. | F. | £ |
| 1868 | 215,000 | 272,000 | 882,000 | 263,000 | 171,000 | 126,000 | 1,929,000 | 6,000 | 240 |
| 1869 | 305,000 | 295,000 | 914,000 | 261,000 | 230,000 | 193,000 | 2,198,000 | 311,000 | 12,440 |
| 1870 | 104,000 | 311,000 | 849,000 | 263,000 | 201,000 | 367,000 | 2,035,000 | 459,000 | 18,360 |
| 1871 | 199,000 | 410,000 | 823,000 | 205,000 | 153,000 | 313,000 | 2,103,000 | — | — |
| 1872 | 410,000 | 479,000 | 937,000 | 294,000 | 289,000 | 333,000 | 2,682,000 | 443,000 | 17,720 |
| 1873 | 463,000 | 470,000 | 926,000 | 337,000 | 230,000 | 291,000 | 2,717,000 | 621,000 | 24,840 |
| 1874 | 414,000 | 524,000 | 992,000 | 300,000 | 204,000 | 296,000 | 2,730,000 | 683,000 | 27,320 |
| 1875 | 427,000 | 527,000 | 1,075,000 | 315,000 | 219,000 | 264,000 | 2,827,000 | 680,000 | 27,200 |
| 1876 | 431,000 | 446,000 | 1,036,000 | 279,000 | 216,000 | 230,000 | 2,638,000 | 266,000 | 10,640 |
| 1877 | 395,000 | 446,000 | 1,067,000 | 237,000 | 185,000 | 217,000 | 2,547,000 | 345,000 | 13,800 |

TABLE XI.

Statement showing the Value of the Imports of Merchandise and Treasure, on Private and Government Account, into British India from the United Kingdom, and Value of the Exports of the same, from British India to the United Kingdom, in the Years ended 31st March, 1871 to 1880; compiled from the official Statistics of the Indian Government; in thousands of pounds, i.e., 100 = 100,000; also similar statement for ten years, 1892-1901.

| Years ended 31st March. | Imports. | Exports. | Excess of | |
|----------------------------|-----------|----------|-----------|----------|
| | | | Imports. | Exports. |
| | £ | £ | £ | £ |
| 1871 | 29,905 | 32,084 | — | 2,179 |
| 1872 | 33,739 | 33,021 | 718 | — |
| 1873 | 28,887 | 28,667 | 220 | — |
| 1874 | 30,888 | 28,832 | 2,056 | — |
| 1875 | 35,494 | 27,972 | 7,522 | — |
| 1876 | 34,519 | 28,371 | 6,148 | — |
| 1877 | 39,555 | 29,315 | 10,240 | — |
| 1878 | 47,198 | 30,804 | 16,394 | — |
| 1879 | 33,140 | 28,400 | 4,740 | — |
| 1880 | 38,440 | 27,781 | 10,659 | — |
| Total for the 10 Years. | } 351,765 | 295,247 | 56,518 | — |
| | £ | £ | £ | £ |
| 1892 | 41,097 | 25,380 | 15,717 | — |
| 1893 | 38,019 | 23,560 | 14,459 | — |
| 1894 | 41,602 | 22,462 | 19,140 | — |
| 1895 | 33,331 | 21,991 | 11,340 | — |
| 1896 | 33,623 | 21,726 | 11,897 | — |
| 1897 | 38,270 | 21,017 | 17,253 | — |
| 1898 | 41,977 | 21,030 | 20,947 | — |
| 1899 | 40,218 | 23,468 | 16,750 | — |
| 1900 | 43,635 | 22,489 | 21,146 | — |
| 1901 | 45,869 | 28,616 | 17,253 | — |
| Total for the 10 Years. | } 397,641 | 231,739 | 165,902 | — |

TABLE XII.

Statement showing the Value of Imports of Merchandise and Treasure, on Private and Government Account, into British India from the undermentioned Countries; and the Values of the Exports of the same from British India to the same Countries, in the Years 1892 to 1901 inclusive; compiled from the figures given in the Colonial Statistical Abstract, in thousands of pounds, i.e., 100 = 100,000.

| | | Germany | France. | Belgium. | Egypt. | United States. | British Possessions. |
|------|-------------------|---------|---------|----------|--------|----------------|----------------------|
| | | £ | £ | £ | £ | £ | £ |
| 1892 | Exports | 3,553 | 7,689 | 3,815 | 5,040 | 2,698 | 15,798 |
| | Imports | 1,065 | 839 | 924 | 187 | 1,224 | 8,073 |
| | Excess of Exports | 2,488 | 6,850 | 2,891 | 4,853 | 1,474 | 7,725 |
| 1893 | Exports | 4,080 | 5,753 | 2,768 | 3,046 | 2,831 | 14,249 |
| | Imports | 908 | 829 | 1,029 | 146 | 729 | 5,847 |
| | Excess of Exports | 3,172 | 4,924 | 1,739 | 2,900 | 2,102 | 8,402 |
| 1894 | Exports | 4,622 | 6,481 | 3,460 | 2,249 | 2,030 | 11,740 |
| | Imports | 1,037 | 787 | 2,220 | 170 | 811 | 6,600 |
| | Excess of Exports | 3,585 | 5,694 | 1,240 | 2,070 | 1,219 | 5,140 |
| 1895 | Exports | 4,184 | 4,709 | 2,055 | 2,529 | 3,164 | 12,438 |
| | Imports | 938 | 500 | 1,011 | 245 | 599 | 4,374 |
| | Excess of Exports | 3,246 | 4,209 | 1,044 | 2,284 | 2,565 | 8,064 |
| 1896 | Exports | 4,534 | 4,888 | 2,223 | 2,929 | 3,326 | 13,304 |
| | Imports | 1,323 | 660 | 1,535 | 395 | 706 | 5,193 |
| | Excess of Exports | 3,211 | 4,228 | 688 | 2,534 | 2,620 | 8,111 |
| 1897 | Exports | 4,560 | 3,852 | 1,849 | 2,950 | 2,911 | 14,220 |
| | Imports | 1,395 | 649 | 1,452 | 449 | 930 | 5,517 |
| | Excess of Exports | 3,165 | 3,203 | 397 | 2,501 | 1,981 | 8,703 |
| 1898 | Exports | 4,642 | 3,646 | 1,963 | 2,590 | 3,795 | 16,089 |
| | Imports | 1,572 | 722 | 1,824 | 652 | 1,153 | 7,023 |
| | Excess of Exports | 3,070 | 2,924 | 139 | 1,938 | 2,642 | 9,066 |
| 1899 | Exports | 5,503 | 5,218 | 3,166 | 4,591 | 3,591 | 18,254 |
| | Imports | 1,152 | 851 | 1,499 | 793 | 984 | 7,623 |
| | Excess of Exports | 4,351 | 4,367 | 1,667 | 3,798 | 2,607 | 10,632 |
| 1900 | Exports | 5,021 | 4,443 | 2,290 | 3,589 | 5,079 | 18,720 |
| | Imports | 1,124 | 830 | 1,247 | 419 | 1,001 | 7,493 |
| | Excess of Exports | 3,897 | 3,613 | 1,043 | 3,170 | 4,078 | 11,227 |
| 1901 | Exports | 6,147 | 4,011 | 2,374 | 3,015 | 4,821 | 18,464 |
| | Imports | 1,736 | 779 | 1,641 | 544 | 909 | 9,509 |
| | Excess of Exports | 4,411 | 3,232 | 733 | 2,471 | 3,912 | 8,955 |

TABLES XIII. AND XIV. (continued).

A.—FOREIGN COUNTRIES (continued).

| LINEN, HEMP, AND JUTE YARN AND THREAD. | | | | | | SILK YARN AND THREAD. | | | | | | | | | | | |
|--|-----------------------------|---------|---|---------|-----------------|-----------------------|---------|------------------------------|---------|---|---------|---------|---------|----------|---------|---------|--|
| | 1885. | | | | 1901. | | | | | 1885. | | | | 1901. | | | |
| | Per cwt. | | | | Per cwt. | | | | | Per cwt. | | | | Per cwt. | | | |
| | From | To | From | To | From | To | From | To | | From | To | From | To | From | To | | |
| | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | |
| Russia .. | 2 3 4 | 2 19 1 | 3 4 11 | 5 18 3 | per cwt. gross. | | | 7 17 8 | 15 15 3 | £2 16 6 | Free to | £2 16 3 | 19 14 4 | 27 11 8 | | | |
| Sweden .. | 0 5 8 | 1 13 11 | 0 3 4½ | 1 13 11 | | | | £2 12 6 | | £5 12 0 | | | | | | | |
| Norway .. | 0 1 8½ | 1 9 11 | 0 1 8½ | 0 19 9 | | | | £8 9 5 | | £8 10 4 | | | | | | | |
| Denmark .. | 0 7 1 | 0 18 10 | 0 7 1 | 0 18 10 | | | | Free; 18s. 3d.; | | Free; 18s. 8d.; | | | | | | | |
| Germany .. | 0 2 6½ | 1 15 7 | 0 2 6½ | 1 10 6 | | | | £1 5 9 | | £3 12 4 | | | | | | | |
| Holland .. | Free. | | Free. | | | | | Free. | | Free. | | | | | | | |
| Belgium .. | Free. | | Free to 8% ad val. | | | | | Free. | | Free. | | | | | | | |
| France .. | Jute: | | Jute, per cwt. gross: | | | | | 1 10 6 | 2 16 1 | 1 10 4 | 6 0 4 | | | | | | |
| | 0 2 0½ | 3 3 3½ | 0 2 9 | 4 2 10½ | | | | Pure Silk of all kinds free. | | | | | | | | | |
| | Linen: | | Linen: | | | | | | | | | | | | | | |
| Portugal .. | 0 5 3 | 3 3 3½ | 0 6 6 | 4 2 10½ | | | | £11 15 6 | | 1 3 4 | 17 3 0 | | | | | | |
| | Jute: | | Jute: | | | | | | | | | | | | | | |
| | 0 1 2½ | 3 10 8 | 0 0 1½ | 3 16 7 | | | | | | | | | | | | | |
| | Linen: | | Linen: | | | | | | | | | | | | | | |
| Spain .. | 1 15 4 | 3 10 8 | 1 15 5 | 3 16 7 | | | | 0 4 0½ | 12 14 0 | 0 8 4 | 10 3 0 | | | | | | |
| | Jute: | | Jute: | | | | | | | | | | | | | | |
| | 0 3 2 | 2 9 10 | 0 4 3½ | 2 18 9 | | | | | | | | | | | | | |
| | Linen: | | Linen: | | | | | | | | | | | | | | |
| Italy .. | 0 11 2 | 2 9 10 | 0 18 3 | 2 18 9 | | | | £1 0 4 | | 1 1 0 | 4 1 8 | | | | | | |
| | Jute: | | Jute: | | | | | Pure Silk of all kinds free. | | Pure Silk undyed free. | | | | | | | |
| | 0 4 0½ | 0 14 1 | 0 4 0½ | 1 8 6 | | | | | | | | | | | | | |
| | Linen: | | Linen: | | | | | | | | | | | | | | |
| | 0 4 8 | 0 14 1 | 0 5 8½ | 1 8 6 | | | | | | | | | | | | | |
| Austria-Hungary | 0 1 6½ | 1 10 6 | 0 1 6½ | 1 15 7 | | | | Unbleached pure Silk free. | | Unbleached pure silk free. | | | | | | | |
| | | | | | | | | 1 2 4 | 2 2 10 | £1 15 0 | | | | | | | |
| Switzerland | 0 0 3 | 0 9 9 | 0 0 5½ | 0 16 3 | | | | 0 0 4½ | 0 16 3 | 0 0 4½ | 1 4 5 | | | | | | |
| Greece .. | 0 12 10 | 2 6 1 | 0 19 2 | 2 8 0 | | | | £3 4 0 | | £48 1 4 | | | | | | | |
| Turkey .. | 8% ad valorem. | | 8% ad valorem. | | | | | 8% ad valorem. | | 8% ad valorem. | | | | | | | |
| Rumania .. | Jute: | | Jute: | | | | | £11 3 6 | | £13 3 8 | | | | | | | |
| | 0 2 0½ | 0 4 0½ | 0 2 0½ | 1 0 4 | | | | | | | | | | | | | |
| | Linen: | | Linen: | | | | | | | | | | | | | | |
| | 7% ad valorem. | | 0 5 8½ | 1 0 4 | | | | | | | | | | | | | |
| Bulgaria .. | — | | Jute: 14% ad val. | | | | | — | | 14% ad valorem. | | | | | | | |
| | | | Linen: 10% ad val. | | | | | | | | | | | | | | |
| United States .. | From 35% to 45% ad valorem. | | From 4s. 8d. plus 10% ad val. to 4s. 8d. plus 35% ad val. | | | | | 30% ad valorem. | | From £4 13 4 and 15% ad val. to £14 and 15% ad val. | | | | | | | |
| | | | 1 12 8 | 3 0 8 | | | | | | | | | | | | | |
| | | | 15% 40% ad val. | | | | | | | | | | | | | | |
| | | | ½d. per lb. for each number. | | | | | | | | | | | | | | |
| | | | 11s. 3d. | | | | | | | | | | | | | | |
| Japan — | — | | From 8% to 15% ad valorem. | | | | | — | | From 15% to 20% ad val. ; | | | | | | | |
| | | | | | | | | | | From £2 1 3 to £4 15 4 | | | | | | | |

TABLES XIII. AND XIV (continued).

A.—FOREIGN COUNTRIES (continued).

| COTTON CLOTH (not made up). Including Sail-cloth. | | | | | WOOLLEN (PURE) AND WORSTED MANUFACTURES. Excluding Embroidery, Cloth List, and Articles of Clothing. | | | | |
|--|---|----------|---|---------|---|----------|---|--------------------------|----|
| | 1885. | | 1901. | | | 1885. | | 1901. | |
| | Per cwt. | | Per cwt. | | | Per cwt. | | Per cwt. | |
| | From | To | From | To | | From | To | From | To |
| Russia... | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | £ s. d. | |
| Sweden .. | 6 2 2 | 26 2 0 | 7 10 9 | 29 3 3 | 2 3 4 | 65 0 0 | 2 11 1 | 58 19 7 | |
| Norway .. | 0 7 11 | 7 1 2 | 0 11 4 | 7 1 2 | 0 11 4 | 6 12 8 | 0 14 1 | 11 5 10 | |
| Denmark .. | 0 3 11½ | 7 1 2 | 0 5 8 | 11 5 10 | 0 15 3 | 7 1 2 | 1 8 3 | 11 5 10 | |
| Germany .. | 0 4 8½ | 5 12 11 | 0 4 8½ | 5 12 11 | 0 1 2 | 5 12 11 | 0 1 2 | 5 12 11 | |
| Holland .. | 0 2 8 | 8 17 10 | 0 3 9½ | 8 17 10 | 0 1 6½ | 11 8 7 | 0 1 6½ | 11 8 8 | |
| | Unbleached cloth and sail cloth free; all manufactures 5% ad valorem. | | Unbleached cloth and sail-cloth free; all manufactures 5% ad valorem. | | Free to 5% ad valorem. | | Free to 5% ad valorem. | | |
| Belgium .. | 1 0 4 | 6 12 1 | 0 14 3 | 2 10 9½ | 5% to 10% ad valorem. | | 5% to 20% ad valorem. | | |
| France .. | 1 0 4 | 13 4 2 | 1 5 2 | 19 10 3 | 0 18 3 | 10 3 2 | 0 18 3 | 10 3 3 (excluding lace). | |
| Portugal .. | 0 17 5 | 18 13 11 | 0 13 9 | 17 3 0 | 2 18 10 | 18 13 11 | 1 3 9 | 40 0 4 | |
| Spain .. | 5 9 9 | 9 2 11 | 6 1 11 | 12 13 0 | 1 10 6 | 16 5 2 | 3 1 0 | 21 16 11 | |
| Italy .. | 1 3 2 | 3 9 1 | 1 5 2 | 4 15 6 | 0 2 10½ | 6 1 11 | 0 8 2 | 14 4 6 | |
| Austria.. | | | | | | | | | |
| Hungary.. | 1 12 6 | 5 1 7 | 1 12 6 | 5 1 8 | 0 12 2 | 7 12 5 | 0 12 2 | 10 3 3 | |
| Switzerland | 0 3 3 | 0 12 2½ | 0 4 0½ | 0 18 3 | 0 4 10½ | 0 16 3 | 0 10 2 | 1 12 6 | |
| Greece .. | 1 5 7 | 9 12 0 | 1 2 5 | 9 12 0 | 0 12 10 | 19 4 0 | 0 12 10 | 19 4 | |
| | sail-cloth 6s. 5d. | | sail-cloth 6s. 5d. | | 8% ad valorem. | | 8% ad valorem. | | |
| Turkey .. | 8% ad valorem. | | 8% ad valorem. | | 8% ad valorem. | | 8% ad valorem. | | |
| Rumania .. | 0 8 2 | 1 16 7 | 1 0 4 | 3 5 0 | 0 8 2 | 3 11 1 | 1 10 6 | 8 1 5 8 | |
| Bulgaria .. | — | | 14% ad valorem. | | — | | 12% to 18% ad val. | | |
| United States .. | From 1½d. per sq. yd. to 3d. per sq. yd., plus 40% 40% ad valorem. | | From ½d. per sq. yd. to 9d. per sq. yd., plus 25% 50% ad valorem. | | From £2 6s. 8d. and 25% ad valorem to £9 6s. 8d. and 35% ad valorem. | | From £5 as. 8d. and 30% ad valorem to £10 5s. 4d. and 55% ad valorem. | | |
| | | | | | From 4½d. per sq. yd. and 40% ad val. to 1s. 10½d. per sq. yd. and 30% ad val. 40% ad valorem. | | From 5d. per sq. yd. and 40% ad val. to 2s. 6d. per sq. yd. and 40% ad val. 50% ad valorem. | | |
| | | | | | | | Felt for sheathing vessels free. | | |
| | | | | | | | 12s. 11d. | | |
| Japan .. | — | | 10% to 15% ad valorem. 0°15d. to 1d. per sq. yd. | | — | | From 0°37d. per sq. yd. to 2°28d. per sq. yd. 10% ad valorem to 20% ad valorem. | | |

TABLES XIII. AND XIV. (*continued*).A.—FOREIGN COUNTRIES (*continued*).

| WOVEN MANUFACTURES OF LINEN. | | | | | WRITING AND PRINTING PAPER. | | | | |
|------------------------------|--------------------------|----------|----|-------|--|----------|-----|-------|--|
| Excluding Embroidery. | | | | | | | | | |
| | 1885. | | | | 1901. | | | | |
| | From | Per cwt. | To | | From | Per cwt. | To | | |
| | £ | s. d. | £ | s. d. | £ | s. d. | £ | s. d. | |
| Russia.. | 2 | 7 3 | 65 | 0 5 | 1 | 8 2 | 132 | 14 1 | |
| Sweden .. | 0 | 10 9 | 6 | 12 6 | 0 | 14 1 | 11 | 5 10 | |
| Norway .. | 0 | 3 11½ | 7 | 1 2 | 0 | 3 11½ | 11 | 5 10 | |
| Denmark .. | 0 | 4 8 | 5 | 12 11 | 0 | 4 8½ | 5 | 12 11 | |
| Germany .. | 0 | 6 1 | 20 | 6 7 | 0 | 6 1 | 15 | 4 11 | |
| Holland .. | 5 % ad valorem. | | | | 5 % ad valorem. | | | | |
| | (Sail-cloth free.) | | | | (Sail-cloth free.) | | | | |
| Belgium .. | 10 % ad valorem. | | | | From 10 % to 20 % ad | | | | |
| | (Sailcloth and hand- | | | | val. (Sail-cloth and | | | | |
| | made lace free.) | | | | hand-made lace free.) | | | | |
| France .. | 0 | 6 1 | 18 | 13 11 | 0 | 9 9 | 21 | 6 10½ | |
| Portugal .. | 0 | 14 2 | 18 | 13 11 | 0 | 11 5 | 28 | 11 11 | |
| Spain .. | 2 | 10 10 | 25 | 8 0 | 4 | 7 5 | 40 | 13 1 | |
| | (excluding oilcloth). | | | | (excluding oilcloth). | | | | |
| Italy .. | 0 | 4 10½ | 60 | 19 3 | 0 | 10 2 | 14 | 4 6 | |
| Austria- | | | | | | | | | |
| Hungary | 0 | 2 c½ | 10 | 3 2 | 0 | 6 1 | 15 | 4 11 | |
| Switzerland | 0 | 0 7½ | 0 | 12 2 | 0 | 0 9½ | 1 | 4 5 | |
| Greece .. | 0 | 8 11 | 4 | 16 0 | 1 | 8 10 | 6 | 8 0 | |
| | sail-cloth 6s. 5d. | | | | sail-cloth 6s. 5d. | | | | |
| Turkey .. | 8 % ad valorem. | | | | 8 % ad valorem. | | | | |
| Rumania .. | 0 | 4 0½ | 4 | 19 7 | 1 | 8 5 | 11 | 7 7 | |
| | 5 % to 7 % ad val. | | | | (excluding oilcloth). | | | | |
| | (excluding oilcloth). | | | | | | | | |
| Bulgaria .. | — | | | | 10 % to 14 % ad val. | | | | |
| United States | 35 % to 45 % ad valorem. | | | | 0 | 12 2 | 2 | 0 8 | |
| | | | | | From 2½d. per sq. yd. and 35 % ad valorem to 4½d. per sq. yd. and 30 % ad valorem. | | | | |
| | | | | | 40 % to 60 % ad val. | | | | |
| | | | | | From 1½d. to 1¾d. per sq. yd. | | | | |
| Japan .. | — | | | | 10 % to 20 % ad val. (Gunny bags and matting for packing free.) | | | | |
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TABLES XIII. AND XIV. (continued).

A.—FOREIGN COUNTRIES (continued).

| CEMENT. | | | | PIG IRON. | | | |
|-----------------|-------------------|-----------------------------|-----------------------------|-----------------|----------------------|--------------------------------------|--------------------------------------|
| | | 1885. | 1901. | | | 1885. | 1901. |
| | | | | | | | |
| | | Per cwt. | Per cwt. | | | Per cwt. | Per cwt. |
| | | From To | From To | | | From To | From To |
| | | £ s. d. £ s. d. | £ s. d. £ s. d. | | | £ s. d. £ s. d. | £ s. d. £ s. d. |
| Russia.. | 8½d. per cwt. | 2 3 4 8 13 5 | 0 2 5½ 12 8 3 | Russia.. | 25 11½d. to 4s. 11d. | 11 16 5 23 12 10 | 19 3 4 51 2 4 |
| Sweden .. | Free. | 0 13 7 1 6 6 | 0 5 7½ 1 13 11 | Sweden .. | Free. | 2 5 2 6 12 8 | 0 14 1 25 8 9 |
| Norway .. | Free. | 13s. | Free. | Norway .. | Free. | 0 11 4 6 12 8 | 0 16 11 16 18 9 |
| Denmark .. | Free. | 0 18 10 1 17 8 | 0 18 10 1 17 8 | Denmark .. | Free. | 3 15 3 5 12 11 | 3 15 3 5 13 0 |
| Germany .. | Free. | 0 7 1 0 15 3 | 0 5 1 0 12 2 | Germany .. | 6d. | 1 5 5 1 15 7 | 1 5 5 1 15 7 |
| Holland .. | Free. | 5% ad valorem. | 5% ad valorem. | Holland .. | Free. | 5% ad valorem. | 5% ad valorem. |
| Belgium .. | Free. | 10% ad valorem. | 10% ad valorem. | Belgium .. | 2½d. | 10% ad valorem. | 10% ad valorem. |
| France .. | Free. | 0 2 10½ 0 8 2 | 0 4 0½ 0 10 2 | France .. | 7½d. | 0 0 4½ 0 1 3½ | 0 1 2½ 0 1 7½ |
| Portugal .. | Free. | £2 7 1 | 3 8 7 5 14 4 | Portugal .. | 2'06 % ad valorem. | per pair. | per pair. |
| Spain .. | 6d. per ton. | £1 1 4 | 1 1 4 4 1 3 | Spain .. | 1s. 0½d. | 0 0 11 0 1 1c½ | 0 2 8½ 0 9 0 |
| Italy .. | 2½d. per cwt. | 0 4 10½ 0 13 0 | 0 6 6 0 14 3 | Italy .. | Free. | £17 15 7 | £17 15 8 |
| Austria.. | 6d. per cwt. | | | Austria.. | 9½d. per ton. | 0 0 6½ 0 0 10½ | 0 0 10 0 1 7 |
| Hungary.. | 3½d. | 0 7 1 0 15 3 | 0 5 1 0 10 2 | Hungary.. | Free. | per pair. | per pair. |
| Switzerland. | 1s. 3½d. per cwt. | 6s. 6d. | 6s. 6d. | Switzerland. | 8 % ad valorem. | £1 15 7 | £1 13 0 |
| Greece .. | 8 % ad valorem. | 1 12 0 3 4 0 | 0 16 0 11 4 0 | Greece .. | Free. | 12s. 2d. | 0 12 2 2 0 8 |
| Turkey .. | 3d. per cwt. | 8% ad valorem. | 8% ad valorem. | Turkey .. | 8 % ad valorem. | 4 6 5 48 0 0 | 3 4 0 48 0 0 |
| Rumania .. | — | 0 3 3 0 12 2 | 0 10 2 2 8 9 | Rumania .. | Free. | 8% ad valorem. | 8 % ad valorem. |
| Bulgaria .. | — | — | 12% | Bulgaria .. | — | 0 18 3 1 16 7 | 8 2 7 10 3 3 |
| United States.. | 20 % ad valorem. | From 55% to 70% ad valorem. | From 55% to 60% ad valorem. | United States.. | — | From 14% ad val. to £5 13 9 per cwt. | From 14% ad val. to £5 13 9 per cwt. |
| Japan .. | — | — | 20% ad valorem. | Japan .. | — | 30% ad valorem. | 25% ad valorem. |
| | | | | | | — | 20% ad valorem. |

PORCELAIN.

BOOTS AND SHOES.

TABLES XIII. AND XIV. (continued).
A.—FOREIGN COUNTRIES (continued).

| COAL. | | AGRICULTURAL MACHINERY (IRON AND STEEL). | | RAILS FOR RAILWAYS. | |
|--|--|---|---|---|--|
| 1885. | 1901. | 1885. | 1901. | 1885. | 1901. |
| Per ton. 11½d. at Baltic ports. 3s. 11½d. at ports of Black Sea. | Per ton. 1s. 11½d. at Baltic ports. 7s. 11d. at ports of Black Sea and Sea of Azov. | Per cwt. 4s. 11d. to 11s. 10d. | Per cwt. Free to 11s. 10d. | Per cwt. Of Steel. 4s. 11d. | Per cwt. Of Steel. 4s. 11d. |
| Free. Free. 1s. 4d. Free. Free. Free. Free. 11½d. 1s. 6d. | Free. Free. 1s. 6½d. Free. Free. Free. Free. 11½d. 1s. 6½d. | Free. Free. 2s. 4½d. to 7s. 1d. 1s. 6½d. to 2s. 6½d. Free. 9½d. to 1s. 7½d. 2s. 0½d. 4s. 10½d. 6d. | 10 % ad valorem. Free. 10 % ad valorem. 1s. 6½d. to 2s. 6½d. Free. 9½d. to 1s. 7½d. 3s. 8d. 1s. 3½d. to 13s. 9d. | Free. Free. 7d. 9½d. to 1s. 3½d. Free. 1s. 7½d. 2s. 5½d. 2s. 0½d. ad valorem. | Free. Free. 6½d. 9½d. to 1s. 3½d. Free. 1s. 7½d. 2s. 5½d. 5½d. 4½d. |
| 1s. 0½d. Free. | 2s. Free. | 4½d. 2s. 5½d. | 5s. 1d. 3s. 8d. | 3s. 3d. 1s. 2½d. | 1s. 10d. to 2s. 5½d. 2s. 5½d. |
| Free. 2d. Free. 8 % ad valorem. Free. | Free. 2d. Free. 8 % ad valorem. 4½d. | 5s. 1d. to 6s. 1d. 1s. 7½d. Free. 8 % ad valorem. Free. | 4s. 4d. to 12s. 2d. 1s. 7½d. Free. 8 % ad valorem. Free. | 2s. 0½d. 3d. Free. 8 % ad valorem. Free. | 2s. 6½d. 8½d. Free. 8 % ad valorem. Free. |
| Free (Anthracite). 3s. 1½d. (Bituminous and Shale). 1s. 3d. (other kinds and Slack). | Free (Anthracite). 2s. 9½d. (Bituminous and other contain- ing less than 92 % of Carbon, and Shale. 7½d. (Coal, Slack or Culme). | 45 % ad valorem. | 45 % ad valorem. | 3s. 6½d. to 3s. 3½d. to 4s. 2½d. 4s. 2½d. | 14 % ad valorem. 1s 7½d. |
| — | 1s. 9½d. | — | 10 % ad valorem. | — | 5 % ad valorem. |
| Russia .. | | | | | |
| Sweden .. | | | | | |
| Norway .. | | | | | |
| Denmark .. | | | | | |
| Germany .. | | | | | |
| Holland .. | | | | | |
| Belgium .. | | | | | |
| France .. | | | | | |
| Portugal .. | | | | | |
| Spain .. | | | | | |
| Italy .. | | | | | |
| Austria .. | | | | | |
| Hungary .. | | | | | |
| Switzerland .. | | | | | |
| Greece .. | | | | | |
| Turkey .. | | | | | |
| Rumania .. | | | | | |
| Bulgaria .. | | | | | |
| United States .. | | | | | |
| Japan .. | | | | | |

TABLES XIII. AND XIV. (continued).

B.—BRITISH POSSESSIONS.—1902.

| | COTTON YARNS AND THREAD. | IRON (Pig). |
|----------------------------|--|---|
| Australian Commonwealth .. | Free. | Free. |
| New Zealand .. | Free; 20% ad val. | Free. |
| *Dominion of Canada .. | Free; 15% — 25% ad val. | 10s. 3 ^d . per ton. |
| Newfoundland .. | Free(yarn); 25% ad val.(thread) | Free. |
| †Cape of Good Hope .. | } 7½% ad val. | } Free. |
| Natal .. | | |
| Orange River Colony | | |
| | COTTON MANUFACTURES, EXCLUDING GLOVES, APPAREL, AND HOSIERY. | IRON (IRON AND STEEL RAILS FOR RAILWAYS). |
| Australian Commonwealth .. | Free; 5% — 25% ad val. | 12½% ad val. |
| New Zealand .. | Free; 10% — 25% ad val. | Free. |
| *Dominion of Canada .. | Free; 15% — 35% ad val. | Free; 30% ad val. |
| Newfoundland .. | 5% — 40% ad val. | 30% ad val. |
| †Cape of Good Hope .. | } Free; 7½% — 20% ad val. | } Free. |
| Natal .. | | |
| Orange River Colony | | |
| | WOOLLEN YARNS. | CORDAGE. |
| Australian Commonwealth .. | Angora Yarn .. Free. Other 5% ad val. | Fishing nets and netting .. Free. Reaper-bindertwine .. 5% per cwt. |
| New Zealand .. | Sewing thread .. } Free. Mending } Yarns for carpets } Other 20% ad val. | Other 20% ad val. Binder twine } Hawsers of 12 inches .. } Free. Some other kinds } Plain cotton or linen cord } Other 20% ad val. |
| *Dominion of Canada | Certain kinds imported } Free. exclusively for manu- } facture of woollen goods } Other 20% — 30% ad val. | Harvest twine } Lines and nets for the } Free. Fisheries } Twine for sails 5% ad val. |
| Newfoundland .. | All kinds .. 20% ad val. | Other 25% — 35% ad val. Lines for fisheries .. Free. Nets 20% ad val. |
| †Cape of Good Hope .. | } All kinds .. 7½% ad val. | Other 10% — 40% ad val. |
| Natal .. | | { Rope for engine belting, &c. } Binder twine } Sailmakers' twine } Other 7½% ad val. |
| Orange River Colony | | |

* A reduction of one-third on these duties is allowed to British goods under the preferential tariff.

† The above duties are for goods for consumption within the South African Customs Union. In transit to places outside the Union, goods are free, or subject to a duty of three per cent, ad valorem.

TABLES XIII. AND XIV. (*continued*).
 B.—BRITISH POSSESSIONS, 1902 (*continued*).

| | LINEN YARNS, | | COAL. |
|----------------------------------|--|---|--|
| Australian Commonwealth .. | Reaper-binder yarn, 5' per cwt. All other .. Free. | | Free. |
| New Zealand .. | Free; 10% ad val. | | Free. |
| *Dominion of Canada .. | Free; 25% ad val. | | Anthracite .. Free. Bituminous slack .. 20% ad val. Other .. 2 5 6 per ton. |
| Newfoundland .. | Free; 25% — 35% ad val. | | Imported at Placentia 1/2 ¹ per ton. Imported at St. John's, Harbour Grace, and Carbonear 2/0 ¹ per ton. Other ports Free. |
| †Cape of Good Hope Natal | } Free; 7½% ad val. | | } 3/- per ton of 2,000 lbs. |
| Orange River Colony | | | |
| | CANVAS & DUCK. | BAGS AND SACKS. | PAPER FOR WRITING AND PRINTING. |
| Australian Commonwealth .. | Free. | For corn, &c. } Free. Sugar mats } Woolpacks } Other .. 10% ad val. | Writing (sheets under } Free. 16 × 13 inches) } Other 15% ad val. |
| New Zealand .. | Free. | Of jute } Free. Woolpacks } Bags, includ- } 20%. ing flour bags } Other .. 15%. | Printing .. Free. |
| *Dominion of Canada .. | Free. | 20% — 30% ad val. | Writing .. 25% — 35% ad val. |
| Newfoundland .. | 5% ad val. | 35% ad val. | Printing .. 15% ad val. |
| †Cape of Good Hope Natal | } 7½%. | Free. | Writing .. 35% ad val. |
| Orange River Colony | | | Printing .. Free. |
| | PORCELAIN. | CEMENT. | BOOTS AND SHOES. |
| Australian Commonwealth .. | 20% ad val. | 9d. per cwt. 20% ad val. | Free. 15% — 30% ad val. |
| New Zealand .. | 20% ad val. | 2/- per barrel. | Free. |
| *Dominion of Canada .. | 30% ad val. | 6 7 d. per 100 lbs. | 20% — 22½% ad val. |
| Newfoundland .. | 30% — 40% ad val. | 25% ad val. | { Horse boots .. 25% ad val. { All other .. 30% ad val. |
| †Cape of Good Hope Natal | } 7½% ad val. | } 6d. per 100 lbs. | } 40% ad val. |
| Orange River Colony | | | |

* A reduction of one-third on these duties is allowed to British goods under the preferential tariff.

† The above duties are for goods for consumption within the South African Custom Union. In transit to places outside the Union, goods are free or subject to a duty of three per cent. ad valorem.

TABLE XV.

Statement showing in what proportion, the principal articles of food, except fruit, were imported into the United Kingdom from Foreign Countries and British Possessions in the year 1902; with the total values of such articles imported from all.

A.—FOREIGN COUNTRIES.

[illegible]

TABLE XV. (continued).

B.—BRITISH POSSESSIONS.

| PRINCIPAL ARTICLES. | British India. | Australia and New Zealand. | British West Indies and British Guiana. | British North America. | Other British Possessions. | TOTAL BRITISH POSSESSIONS. | | TOTAL BRITISH POSSESSIONS AND FOREIGN COUNTRIES. | |
|---------------------------------|----------------|----------------------------|---|------------------------|----------------------------|----------------------------|-----------|--|-----------|
| | Per cent. | Per cent. | Per cent. | Per cent. | Per cent. | Amount in millions. | Per cent. | Amount. | Per cent. |
| Animals, living :— | | | | | | £ | | | |
| Cattle | — | — | — | 17 | — | 17 | 218 | 78 | 100 |
| Sheep and Lambs | — | — | — | 180 | — | 01 | 180 | 05 | 100 |
| Bacon and Hams | — | — | — | 16 | — | 16 | 94 | 172 | 100 |
| Butter | — | 59 | — | 64 | — | 25 | 123 | 205 | 100 |
| Cheese | — | 20 | — | 672 | — | 44 | 692 | 64 | 100 |
| Cocoa | — | — | 226 | — | 62 | 075 | 288 | 26 | 100 |
| Coffee | 122 | — | 30 | — | 39 | 05 | 191 | 26 | 100 |
| Corn, Grain, and Flour :— | | | | | | | | | |
| Wheat | 108 | 57 | — | 118 | — | 77 | 281 | 271 | 100 |
| Barley | — | — | — | 03 | 01 | 02 | 04 | 71 | 100 |
| Oats | — | — | — | 37 | — | 02 | 37 | 50 | 100 |
| Maire | 06 | — | — | 03 | — | 01 | 09 | 117 | 100 |
| Wheat-meal and Flour | — | 01 | — | 98 | — | 09 | 99 | 89 | 100 |
| Eggs | — | — | — | 33 | — | 02 | 33 | 63 | 100 |
| Meat | — | 226 | — | 08 | — | 53 | 334 | 226 | 100 |
| Potatoes | — | — | — | — | — | 05 | 308 | 16 | 100 |
| Rice | 650 | — | — | — | 25 | 13 | 675 | 20 | 100 |
| Spices (including Pepper) | 105 | — | 120 | — | 570 | 07 | 795 | 09 | 100 |
| Spirits | 01 | — | 191 | 13 | 64 | 05 | 209 | 22 | 100 |
| Sugar, refined | — | — | — | — | — | — | 00 | 97 | 100 |
| Sugar, unrefined | 09 | — | 150 | — | 28 | 09 | 187 | 50 | 100 |
| Tea | 547 | — | — | — | 361 | 80 | 908 | 88 | 100 |
| Tobacco | 07 | — | 01 | — | 08 | 01 | 16 | 58 | 100 |
| Wine | — | 32 | — | — | 02 | 02 | 33 | 49 | 100 |
| Total | | | | | | 383 | | 1872 | |

TABLE XVI.

Statement showing the Proportion per cent. of the Total Value of the Articles of Food named in Table XV. imported into the United Kingdom from Foreign Countries and British Possessions, for the Years 1880, 1884, and 1902.

| COUNTRIES. | Percentage of Total. | | |
|--|----------------------|-------|-------|
| | 1880. | 1884. | 1902. |
| A.—FOREIGN COUNTRIES. | | | |
| Russia | 3'1 | 5'5 | 6'3 |
| Sweden | 1'4 | 1'4 | 0'6 |
| Denmark | 2'9 | 3'4 | 8'1 |
| Germany | 8'3 | 9'3 | 6'7 |
| Holland | 5'5 | 7'0 | 4'4 |
| Belgium | 1'0 | 1'3 | 1'6 |
| France | 7'6 | 7'4 | 6'0 |
| Spain | 1'1 | 1'1 | 0'3 |
| Portugal | 0'9 | 1'0 | 0'8 |
| Roumania | 0'8 | 2'2 | 3'6 |
| China | 5'3 | 4'6 | 0'3 |
| Argentine Republic | — | — | 5'4 |
| Foreign West Indies | 1'0 | 0'7 | — |
| United States | 35'4 | 26'9 | 27'1 |
| Other Foreign Countries | 8'1 | 8'9 | 8'6 |
| Total Foreign Countries | 82'4 | 80'7 | 79'8 |
| B.—BRITISH POSSESSIONS. | | | |
| British India | 5'8 | 7'4 | 5'3 |
| Australia | 1'9 | 2'5 | 1'8 |
| British West Indies and British Guiana | 3'5 | 3'1 | 1'0 |
| British North America | 3'8 | 3'9 | 7'4 |
| Other British Possessions | 2'6 | 2'4 | 4'7 |
| Total of British Possessions | 17'6 | 19'3 | 20'2 |
| Total of Foreign Countries and British Possessions } | 100 | 100 | 100 |

TABLE XVII.

FROM THE RETURNS GIVEN BY MR. GIFFEN TO THE ROYAL COMMISSION ON THE DEPRESSION OF TRADE, AND
FROM BOARD OF TRADE PUBLICATIONS.

UNITED KINGDOM.

Statement showing the Total Value of the Imports and Exports (exclusive of Bullion and Specie) of the United Kingdom in each of the Years from 1854 to 1902 inclusive, with the Annual Average for each Quinquennial Period and the Amounts per Head of the Population.

| Years. | Imports. | | | Re-Exports. | | | Net Imports. (Imports less Re-Exports.) | | | Exports of British and Irish Produce. | | | Total Gross Imports and Exports. | | | Trans-shipment Trade. | | |
|-------------------------------|-----------|---------|-----------|-------------|---------|-----------|---|---------|-----------|---|---------|-----------|--|---------|-----------|--------------------------|---------|-----------|
| | Amount. | £ s. d. | per Head. | Amount. | £ s. d. | per Head. | Amount. | £ s. d. | per Head. | Amount. | £ s. d. | per Head. | Amount. | £ s. d. | per Head. | Amount. | £ s. d. | per Head. |
| 1854 ... | Million £ | 152 | 5 10 2 | 19 | 0 13 6 | | 133 | 4 16 9 | | 97 | 3 10 2 | | 268 | 9 14 0 | | | | |
| 1855 ... | 143 | | | 21 | | | 122 | | | 96 | | | 260 | | | | | |
| 1856 ... | 172 | | | 23 | | | 149 | | | 116 | | | 311 | | | | | |
| 1857 ... | 188 | | | 24 | | | 164 | | | 122 | | | 334 | | | | | |
| 1858 ... | 164 | | | 23 | | | 141 | | | 117 | | | 304 | | | | | |
| 1859 ... | 179 | | | 25 | | | 154 | | | 130 | | | 334 | | | | | |
| Annual Aver- age, 1855-9 } | 169 | 6 0 3 | | 23 | 0 16 7 | | 146 | 5 3 7 | | 116 | 4 2 4 | | 308 | 10 19 2 | | | | |
| 1860 ... | 210 | | | 29 | | | 181 | | | 136 | | | 375 | | | | | |
| 1861 ... | 217 | | | 35 | | | 182 | | | 125 | | | 377 | | | | | |
| 1862 ... | 226 | | | 42 | | | 184 | | | 124 | | | 392 | | | | | |
| 1863 ... | 249 | | | 50 | | | 199 | | | 147 | | | 446 | | | | | |
| 1864 ... | 275 | | | 52 | | | 223 | | | 160 | | | 487 | | | | | |
| Annual Aver- age, 1860-4 } | 235 | 8 1 2 | | 42 | 1 8 5 | | 193 | 6 12 9 | | 138 | 4 14 8 | | 415 | 14 4 3 | | | | |

TABLE XVII.—UNITED KINGDOM (*continued*).

| Years. | Imports. | | | Re-exports. | | | Net Imports. (Imports less Re-exports.) | | | Exports of British and Irish Produce. | | | Total Gross Imports and Exports. | | | Trans-shipment Trade. | |
|------------------------|------------|---------|-----------|-------------|---------|-----------|---|---------|-----------|---------------------------------------|---------|-----------|----------------------------------|---------|-----------|-----------------------|---------|
| | Amount. | | | Amount. | | | Amount. | | | Amount. | | | Amount. | | | Amount. | |
| | Million £. | £ s. d. | per Head. | Million £. | £ s. d. | per Head. | Million £. | £ s. d. | per Head. | Million £. | £ s. d. | per Head. | Million £. | £ s. d. | per Head. | Million £. | Amount. |
| 1865 ... | 271 | | | 53 | | | 218 | | | 166 | | | 490 | | | 0.5 | |
| 1866 ... | 295 | | | 50 | | | 245 | | | 189 | | | 534 | | | 7.7 | |
| 1867 ... | 275 | | | 45 | | | 230 | | | 181 | | | 501 | | | 6.7 | |
| 1868 ... | 295 | | | 48 | | | 247 | | | 179 | | | 522 | | | 7.3 | |
| 1869 ... | 295 | | | 47 | | | 248 | | | 190 | | | 532 | | | 8.1 | |
| Annual Average, 1865-9 | 286 | 9 8 2 | | 49 | 1 11 11 | | 237 | 7 16 3 | | 181 | 5 19 0 | | 516 | 16 19 1 | | 7.3 | |
| 1870. ... | 303 | | | 44 | | | 259 | | | 200 | | | 547 | | | 10.9 | |
| 1871 ... | 331 | | | 61 | | | 270 | | | 223 | | | 615 | | | 11.4 | |
| 1872 ... | 355 | | | 58 | | | 297 | | | 256 | | | 669 | | | 13.9 | |
| 1873 ... | 371 | | | 56 | | | 315 | | | 255 | | | 682 | | | 13.8 | |
| 1874 ... | 370 | | | 58 | | | 312 | | | 240 | | | 668 | | | 11.4 | |
| Annual Average, 1870-4 | 346 | 10 17 2 | | 55 | 1 14 10 | | 291 | 9 2 4 | | 235 | 7 7 3 | | 636 | 19 19 3 | | 12.3 | |
| 1875 ... | 374 | | | 58 | | | 316 | | | 223 | | | 655 | | | 12.1 | |
| 1876 ... | 375 | | | 56 | | | 319 | | | 201 | | | 632 | | | 10.8 | |
| 1877 ... | 394 | | | 54 | | | 340 | | | 199 | | | 647 | | | 12.2 | |
| 1878 ... | 369 | | | 52 | | | 317 | | | 193 | | | 614 | | | 11.2 | |
| 1879 ... | 363 | | | 57 | | | 306 | | | 192 | | | 612 | | | 11.0 | |
| Annual Average, 1875-9 | 375 | 11 3 5 | | 55 | 1 13 1 | | 320 | 9 10 4 | | 202 | 6 0 0 | | 632 | 18 16 6 | | 11.5 | |
| 1880 ... | 411 | | | 63 | | | 348 | | | 223 | | | 697 | | | 12.5 | |
| 1881 ... | 397 | | | 63 | | | 334 | | | 234 | | | 694 | | | 12.6 | |
| 1882 ... | 413 | | | 65 | | | 348 | | | 242 | | | 720 | | | 12.0 | |
| 1883 ... | 427 | | | 65 | | | 362 | | | 240 | | | 732 | | | 11.7 | |
| 1884 ... | 390 | | | 63 | | | 327 | | | 233 | | | 686 | | | 11.9 | |
| Annual Average, 1880-4 | 408 | 11 11 0 | | 64 | 1 16 4 | | 344 | 9 14 9 | | 234 | 6 12 9 | | 706 | 20 0 1 | | 12.1 | |

TABLE XVII.—UNITED KINGDOM (*continued*).

| Years. | Imports. | | | Re-exports. | | | Net Imports. (Imports less Re-exports.) | | | Exports of British and Irish Produce. | | | Total Gross Imports and Exports. | | | Trans-shipment Trade. | | |
|------------------------|-----------|----------|-----------|-------------|---------|-----------|---|---------|-----------|---------------------------------------|---------|-----------|----------------------------------|---------|-----------|-----------------------|---------|-----------|
| | Amount. | | | Amount. | | | Amount. | | | Amount. | | | Amount. | | | Amount. | | |
| | Million £ | £ s. d. | per Head. | Million £ | £ s. d. | per Head. | Million £ | £ s. d. | per Head. | Million £ | £ s. d. | per Head. | Million £ | £ s. d. | per Head. | Million £ | £ s. d. | per Head. |
| 1885 ... | 371 | | | 58 | | | 313 | | | 213 | | | 642 | | | 11'0 | | |
| 1886 ... | 349 | | | 56 | | | 287 | | | 213 | | | 619 | | | 10'7 | | |
| 1887 ... | 362 | | | 59 | | | 303 | | | 222 | | | 643 | | | 10'0 | | |
| 1888 ... | 388 | | | 64 | | | 324 | | | 234 | | | 686 | | | 10'9 | | |
| 1889 ... | 428 | | | 67 | | | 361 | | | 249 | | | 743 | | | 10'2 | | |
| Annual Average, 1885-9 | 380 | 10 7 1 | | 61 | 1 12 11 | | 318 | 8 14 2 | | 226 | 6 3 8 | | 667 | 18 2 10 | | 10'6 | | |
| 1890 ... | 421 | | | 65 | | | 356 | | | 263 | | | 749 | | | 9'8 | | |
| 1891 ... | 435 | | | 62 | | | 373 | | | 247 | | | 745 | | | 9'9 | | |
| 1892 ... | 424 | | | 64 | | | 360 | | | 227 | | | 715 | | | 10'6 | | |
| 1893 ... | 405 | | | 59 | | | 346 | | | 218 | | | 682 | | | 11'5 | | |
| 1894 ... | 408 | | | 58 | | | 350 | | | 216 | | | 682 | | | 9'6 | | |
| Annual Average, 1890-4 | 419 | 11 0 2 | | 62 | 1 12 11 | | 357 | 9 7 3 | | 234 | 6 2 11 | | 715 | 18 14 8 | | 10'3 | | |
| 1895 ... | 417 | | | 60 | | | 357 | | | 226 | | | 703 | | | 11'0 | | |
| 1896 ... | 442 | | | 56 | | | 386 | | | 240 | | | 738 | | | 10'3 | | |
| 1897 ... | 451 | | | 60 | | | 391 | | | 234 | | | 745 | | | 10'7 | | |
| 1898 ... | 471 | | | 61 | | | 410 | | | 233 | | | 765 | | | 9'8 | | |
| 1899 ... | 485 | | | 65 | | | 420 | | | 264 | | | 815 | | | 10'8 | | |
| Annual Average, 1895-9 | 453 | 11 7 3 | | 60 | 1 10 1 | | 393 | 9 17 2 | | 239 | 5 19 5 | | 753 | 18 16 1 | | 10'5 | | |
| 1900 ... | 523 | | | 63 | | | 460 | | | 291 | | | 877 | | | 11'0 | | |
| 1901 ... | 522 | | | 68 | | | 454 | | | 280 | | | 870 | | | 12'8 | | |
| 1902 ... | 528 | | | 66 | | | 462 | | | 283 | | | 878 | | | 13'7 | | |
| Annual Average, 1900-2 | 524 | 12 11 11 | | 66 | 1 11 3 | | 459 | 11 0 8 | | 285 | 6 16 9 | | 875 | 21 16 1 | | 12'5 | | |

TABLE XVIII.

FROM THE RETURNS GIVEN BY MR. GIFFEN TO THE ROYAL COMMISSION ON THE DEPRESSION OF TRADE, AND FROM BOARD OF TRADE PUBLICATIONS.

FRANCE (COMMERCE SPÉCIAL).

Statement showing the Total Value of the Imports and Exports (exclusive of Bullion and Specie, of France in each of the Years from 1854 to 1902 inclusive, with the Annual Average, for each Quinquennial Period, and the value per Head of the Population. The value of new ships is excluded.

| Years. | Population. | Imports (Special).* | | Exports (Special).* | |
|---------------------|--|-----------------------|-------------------------|-----------------------|-------------------------|
| | | Amount. | Per Head of Population. | Amount. | Per Head of Population. |
| 1854 | Thousands. 36,139 (Census of 1856) | Thousand £. 51,664 | £ s. d. 1 8 7 | Thousand £. 56,548 | £ s. d. 1 11 4 |
| 1855 | 36,139 (Census of 1856) | 63,764 | | 62,316 | |
| 1856 | | 79,591 | | 75,719 | |
| 1857 | | 74,914 | | 74,636 | |
| 1858 | | 62,511 | | 75,491 | |
| 1859 | | 65,627 | | 90,657 | |
| Average, 1855-9 ... | | 69,281 | 1 18 4 | 75,764 | 2 1 11 |
| 1860 | 37,446 (Census of 1861) | 75,892 | | 91,084 | |
| 1861 | | 97,692 | | 77,052 | |
| 1862 | | 87,944 | | 89,708 | |
| 1863 | | 97,055 | | 105,702 | |
| 1864 | | 101,128 | | 116,968 | |
| Average, 1860-4 ... | | 91,942 | 2 9 1 | 96,103 | 2 11 4 |

* Special Imports are imports for Home Consumption. Special Exports are exports of Domestic Produce.

TABLE XVIII.—FRANCE (*continued*).

| Years. | Population. Thousands. | Imports (Special). ^a | | Exports (Special). ^a | |
|-----------------|---------------------------|---------------------------------|---------------------------------------|---------------------------------|---------------------------------------|
| | | Amount. Thousand £. | Per Head of Population. £ s. d. | Amount. Thousand £. | Per Head of Population. £ s. d. |
| 1865 | ... | 105,672 | | 123,536 | |
| 1866 | ... | 111,740 | | 127,224 | |
| 1867 | ... | 121,060 | | 113,036 | |
| 1868 | ... | 132,148 | | 111,596 | |
| 1869 | ... | 126,124 | | 122,996 | |
| Average, 1865-9 | ... | 119,349 | 3 2 8 | 119,678 | 3 2 11 |
| 1870 | ... | 114,696 | | 112,084 | |
| 1871 | ... | 142,670 | | 114,900 | |
| 1872 | ... | 142,812 | | 150,464 | |
| 1873 | ... | 142,192 | | 151,492 | |
| 1874 | ... | 140,308 | | 148,044 | |
| Average, 1870-4 | ... | 136,536 | 3 15 8 | 135,397 | 3 15 0 |
| 1875 | ... | 141,468 | | 154,904 | |
| 1876 | ... | 159,536 | | 143,024 | |
| 1877 | ... | 146,792 | | 137,452 | |
| 1878 | ... | 167,048 | | 127,188 | |
| 1879 | ... | 183,868 | | 129,252 | |
| Average, 1875-9 | ... | 159,730 | 4 6 7 | 138,364 | 3 14 11 |
| 1880 | ... | 201,328 | | 138,716 | |
| 1881 | ... | 194,536 | | 142,460 | |
| 1882 | ... | 192,872 | | 142,976 | |
| 1883 | ... | 192,172 | | 138,075 | |
| 1884 | ... | 173,740 | | 129,300 | |
| Average, 1880-4 | ... | 190,930 | 5 1 4 | 138,305 | 3 13 5 |

^a Special Import are imports for Home Consumption. Special Exports are exports of Domestic Produce.

TABLE XVIII.—FRANCE (*continued*).

| Years. | Population. | Imports (Special).* | | Exports (Special).* | |
|----------------|-------------|---------------------|-------------------------|---------------------|-------------------------|
| | | Amount. | Per Head of Population. | Amount. | Per Head of Population. |
| | | Million £. | £ s. d. | Million £. | £ s. d. |
| 1885 | ... | 169 | | 127 | |
| 1886 | ... | 168 | | 130 | |
| 1887 | ... | 161 | | 130 | |
| 1888 | ... | 164 | | 130 | |
| 1889 | ... | 173 | | 148 | |
| Average 1885-9 | ... | 166 | 4 6 10 | 132 | 3 9 3 |
| 1890 | ... | 177 | | 150 | |
| 1891 | ... | 191 | | 143 | |
| 1892 | ... | 168 | | 138 | |
| 1893 | ... | 154 | | 129 | |
| 1894 | ... | 154 | | 123 | |
| Average 1890-4 | ... | 169 | 4 8 0 | 137 | 3 11 4 |
| 1895 | ... | 149 | | 135 | |
| 1896 | ... | 152 | | 136 | |
| 1897 | ... | 158 | | 144 | |
| 1898 | ... | 179 | | 140 | |
| 1899 | ... | 181 | | 166 | |
| Average 1895-9 | ... | 164 | 4 5 0 | 144 | 3 14 11 |
| 1900 | ... | 183 | | 164 | |
| 1901 | ... | 175 | | 161 | |
| 1902 | ... | 176 | | 170 | |
| Average 1900-2 | ... | 180 | 4 12 5 | 165 | 4 4 8 |

* Special Imports are imports for Home Consumption. Special Exports are exports of Domestic Produce.

TABLE XIX.

FROM THE RETURNS GIVEN BY MR. GIFFEN TO THE ROYAL COMMISSION ON THE DEPRESSION OF TRADE,
AND FROM BOARD OF TRADE PUBLICATIONS.

UNITED STATES.

Statement showing the Total Value of the Imports for Home Consumption and Exports of Domestic Produce into and from the United States (exclusive of Bullion and Specie) in each of the Years from 1854 to 1864 inclusive, with the Annual Average for each Quinquennial Period, and the Value per Head of the Population.

| Years ended 30th June. | Population. | Imports. | | Exports. | |
|---------------------------|--|-----------------------|----------------------------|-----------------------|----------------------------|
| | | Amount. | Per Head of Population. | Amount. | Per Head of Population. |
| 1854 | Thousands. 23,192 (Census of 1850) | Thousand £. 57,491 | £ s. d. 2 9 7 | Thousand £. 44,824 | £ s. d. 1 18 8 |
| 1855 | 31,443 (Census of 1860) | 48,260 | | 40,156 | |
| 1856 | | 61,594 | | 55,508 | |
| 1857 | | 69,481 | | 58,106 | |
| 1858 | | 59,557 | | 52,364 | |
| 1859 | | 66,005 | | 57,999 | |
| Average, 1855-9 | | 59,179 | 1 17 8 | 52,827 | 1 13 7 |
| 1860 | 31,443 (Census of 1860) | 70,058 | | 65,883 | |
| 1861 | | 57,221 | | 42,687 | |
| 1862 | | 37,152 | | 37,426 | |
| 1863 | | 46,853 | | 38,751 | |
| 1864 | | 62,731 | | 29,896 | |
| Average, 1860-4 | | 54,803 | 1 14 10 | 42,928 | 1 7 3 |

TABLE XIX.—UNITED STATES (*continued*).

| Years ended 30th June. | Population. | Imports. | | Exports. | |
|---------------------------|-------------|------------|----------------------------|------------|----------------------------|
| | | Amount. | Per Head of Population. | Amount. | Per Head of Population. |
| | Thousands. | Million £. | £ s. d. | Million £. | £ s. d. |
| 1885 | ... | 117 | | 151 | |
| 1886 | ... | 130 | | 139 | |
| 1887 | ... | 141 | | 146 | |
| 1888 | ... | 148 | | 142 | |
| 1889 | ... | 153 | | 152 | |
| Average, 1885-9 | | 138 | 2 8 11 | 146 | 2 11 0 |
| 1890 | ... | 162 | | 176 | |
| 1891 | ... | 173 | | 182 | |
| 1892 | ... | 169 | | 212 | |
| 1893 | ... | 177 | | 173 | |
| 1894 | ... | 132 | | 181 | |
| Average, 1890-4 | | 163 | 2 11 11 | 185 | 2 19 0 |
| 1895 | ... | 150 | | 165 | |
| 1896 | ... | 158 | | 180 | |
| 1897 | ... | 155 | | 215 | |
| 1898 | ... | 124 | | 252 | |
| 1899 | ... | 140 | | 251 | |
| Average, 1895-9 | | 145 | 2 1 11 | 213 | 3 1 3 |
| 1900 | ... | 172 | | 286 | |
| 1901 | ... | 166 | | 304 | |
| 1902 | ... | 183 | | 282 | |
| Average, 1900-2 | | 174 | 2 10 10 | 291 | 3 16 4 |

TABLE XX.

FROM THE RETURNS GIVEN BY MR. GIFFEN TO THE ROYAL COMMISSION ON THE DEPRESSION OF TRADE AND BOARD OF TRADE PUBLICATIONS.

GERMANY (COMMERCE SPÉCIAL).

Statement showing the Total Value of the Imports and Exports (exclusive of Bullion and specie) of Germany in each of the Years from 1872 to 1902 inclusive, with the Annual Average for each Quinquennial Period and the Value per Head of the Population. The value of new ships is excluded except for 1897 and subsequent years.

| Years | Population. | Imports (Special). | | Exports (Special). | |
|-----------------|-------------|--------------------|-------------------------|--------------------|-------------------------|
| | | Amount. | Per Head of Population. | Amount. | Per Head of Population. |
| 1872 | ... | Thousand £. | £ s. d. | Thousand £. | £ s. d. |
| 1873 | ... | 163,100 | | 116,031 | |
| 1874 | ... | 187,810 | | 115,090 | |
| Average, 1872-4 | ... | 180,235 | | 117,655 | |
| 1875 | ... | 177,048* | 4 6 3* | 116,258* | 2 16 7* |
| 1876 | ... | 176,560 | | 124,750 | |
| 1877 | ... | 190,105 | | 127,385 | |
| 1878 | ... | 188,710 | | 138,120 | |
| 1879 | ... | 175,685 | | 144,357 | |
| Average, 1875-9 | ... | 188,670 | | 138,785 | |
| 1880 | ... | 183,946 | 4 6 1 | 134,679 | 3 3 0 |
| 1881 | ... | 141,035 | | 144,770 | |
| 1882 | ... | 148,150 | | 148,850 | |
| 1883 | ... | 156,475 | | 159,525 | |
| 1884 | ... | 163,185 | | 163,610 | |
| Average, 1880-4 | ... | 163,040 | | 160,247 | |
| ... | ... | 154,377 | 3 8 3 | 155,400 | 3 8 8 |

* Average of three years.

ABLE XX.—GERMANY (*continued*).

| Years. | Population. | Imports (Special). | | Exports (Special). | |
|-----------------|-------------|--------------------|-------------------------|--------------------|-------------------------|
| | | Amount. | Per Head of Population. | Amount. | Per Head of Population. |
| | | Million £. | £ s. d. | Million £. | £ s. d. |
| 1885 | ... | 147 | | 143 | |
| 1886 | ... | 144 | | 149 | |
| 1887 | ... | 156 | | 157 | |
| 1888 | ... | 165 | | 160 | |
| 1889 | ... | 201 | | 158 | |
| Average, 1885-9 | ... | 163 | 3 9 5 | 154 | 3 5 6 |
| 1890 | ... | 208 | | 166 | |
| 1891 | ... | 208 | | 159 | |
| 1892 | ... | 201 | | 148 | |
| 1893 | ... | 198 | | 155 | |
| 1894 | ... | 197 | | 148 | |
| Average, 1890-4 | ... | 202 | 4 1 10 | 155 | 3 2 9 |
| 1895 | ... | 206 | | 165 | |
| 1896 | ... | 215 | | 176 | |
| 1897† | ... | 234 | | 182 | |
| 1898† | ... | 254 | | 188 | |
| 1899† | ... | 274 | | 210 | |
| Average, 1895-9 | ... | 237 | 4 10 7 | 184 | 3 10 7 |
| 1900† | ... | 288 | | 231 | |
| 1901† | ... | 279 | | 222 | |
| 1902† | ... | 282 | | 234 | |
| Average, 1900-2 | ... | 283 | 5 0 5 | 229 | 4 1 3 |

† Inclusive of value of ships exported and of "Improvement Trade" for home account.
 NOTE.—In 1879 great changes were made in the method of compiling the Import and Export statistics in Germany.

TABLE XXI.

Statement showing the Value of the Exports of British and Irish Produce in each of the years 1870, 1880, 1884, and 1902, classified as Articles of Food, Raw Materials, and Manufactured Goods; in thousands of Pounds—i.e., 100 = 100,000.

| ARTICLES EXPORTED. | 1870. | 1880. | 1884. | 1902. |
|-------------------------------------|-------|-------|--------|--------|
| (a) ARTICLES OF FOOD:— | £ | £ | £ | £ |
| Animals, living: | | | | |
| Oxen, bulls, cows, and calves . | 41 | 60 | 130 | 96 |
| Sheep and lambs | 25 | 35 | 53 | 29 |
| Swine | 2 | 3 | 4 | 5 |
| Beer and ale | 1,882 | 1,734 | 1,642 | 1,786 |
| Biscuit and bread | 436 | 583 | 583 | 857* |
| Butter | 316 | 202 | 203 | 79 |
| Cheese | 110 | 51 | 61 | 36 |
| Corn, grain, meal and flour: | | | | |
| Wheat | 544 | 348 | 20 | 12 |
| Malt | 242 | 162 | 185 | 320 |
| Oats | 160 | 99 | 30 | 1 |
| Other kinds of grain | 30 | 24 | 22 | 217 |
| Wheat-meal and flour... .. | 163 | 74 | 72 | 31 |
| Other kinds of meal and flour . | 6 | 12 | 25 | 370 |
| Fish, fresh and cured | 916 | 1,779 | 2,115 | 3,505 |
| Hops | 93 | 53 | 55 | 68 |
| Pickles, vinegars, and sauces ... | 470 | 679 | 1,381† | 1,516† |
| Provisions, unenumerated | 926 | 1,035 | 779 | 1,839 |
| Spirits, British and Irish | 183 | 544 | 811 | 2,808 |
| Sugar, refined and candy | 934 | 1,127 | 1,111 | 399 |
| „ molasses, treacle and syrup | 35 | 186 | 176 | 165 |
| Tobacco and snuff | 89 | 32 | 26 | 707‡ |
| Wine, British made | 3 | 3 | 6 | 7 |
| Other articles not specified | ... | ... | ... | 661 |
| Total | 7,607 | 8,825 | 9,490 | 15,514 |
| (b) RAW MATERIALS:— | | | | |
| Clay, unmanufactured | 98 | 163 | 181 | 507 |
| Coals, cinders, &c.: | | | | |
| Coals | 5,290 | 7,837 | 10,255 | 26,307 |
| Coke and cinders | 224 | 338 | 313 | 1,551 |

* Biscuits and cakes.

† Includes confectionery—previously included with “Other Manufactured Goods” on page 435.

‡ Prior to 1892, tobacco and snuff manufactured in bond were included in exports of Foreign and Colonial Produce, and with British and Irish Produce in that and subsequent years.

TABLE XXI. (*continued*).

| ARTICLES EXPORTED. | 1870. | 1880. | 1884. | 1902. |
|---|-------|-------|-------|--------|
| (b) RAW MATERIALS (<i>continued</i>):— | £ | £ | £ | £ |
| Products of coal, peat, or shale, including naphtha, paraffin and oil thereof, and petroleum, pitch, and tar } | 331 | 492 | 1,069 | 1,458* |
| Copper, ore | 1 | 8 | ... | ... |
| „ unwrought, in ingots, cakes, or slabs ... } | 796 | 1,054 | 1,053 | 1,202 |
| Flax and hemp, dressed and undressed } | 183 | 111 | 158 | 184 |
| Grease, not otherwise described | 73 | 285 | 379 | 778 |
| Hides, raw | 77 | 194 | 137 | 376 |
| Iron : | | | | |
| Ore | 1 | 27 | 5 | 10 |
| Old, for re-manufacture ... | 502 | 1,165 | 223 | 326 |
| Pig and puddled | 2,229 | 5,219 | 2,945 | 3,571 |
| Lead, ore | 2 | 4 | 5 | 13 |
| „ pig | 760 | 357 | 200 | 168 |
| Leather, unwrought | 850 | 1,153 | 1,678 | 1,336 |
| Manure | 415 | 1,128 | 2,102 | 2,772 |
| Oils | 1,405 | 1,972 | 1,689 | 2,355† |
| Rags (except woollen) and other materials for making paper } | 390 | 673 | 563 | 379 |
| Seeds of all sorts | 137 | 231 | 232 | 366 |
| Skins and Furs : | | | | |
| Sheep and lambs, undressed (without the wool) ... } | 257 | 715 | 346 | 427 |
| Foreign, dressed in the United Kingdom ... } | 164 | 673 | 782 | 546 |
| Unenumerated | 130 | 256 | 186 | 490 |
| Steel, cast in ingots | 12 | 187 | 19 | 142 |
| Tin, unwrought | 633 | 399 | 469 | 735 |
| Wood and timber, rough-hewn, sawn, or split } | 43 | 55 | 7 | 25 |
| Wool, sheep and lambs, British | 581 | 1,187 | 826 | 929 |
| † „ not being sheep and lambs, including foreign (dressed in the United Kingdom), and flocks and rag-wool } | 166 | 547 | 811 | 2,848 |

* Not including naphtha, paraffin, paraffin oil, and petroleum.

† Naphtha, paraffin, paraffin oil, and petroleum are now included under this heading. Prior to 1902 they were included with "Coal Products."

‡ Items under this heading for 1890 and subsequent years are Flocks and Rag-wool, Oils, Waste, Combed or carded, and tops.

TABLE XXI. (continued).

| ARTICLES EXPORTED. | 1870. | 1880. | 1884. | 1902. |
|---|--------|--------|--------|--------|
| (b) RAW MATERIALS (continued):— | £ | £ | £ | £ |
| Zinc or spelter, ore | 4 | 2 | 5 | 54 |
| " " crude, in cakes ... | 84 | 94 | 66 | 99 |
| Other articles, unmanufactured... | 576 | 999 | 997 | 1,061 |
| Total | 16,414 | 27,525 | 27,701 | 51,008 |
| (c) MANUFACTURED GOODS:— | | | | |
| Apparel and slops | 2,205 | 3,212 | 3,936 | 6,297 |
| Arms, ammunition, naval and } military stores | 1,975 | 1,459 | 1,735 | 1,830 |
| Bags and sacks, empty | 914 | 1,452 | 1,006 | 442 |
| Bleaching materials | 177 | 442 | 661 | 277 |
| Books, printed | 631 | 970 | 1,171 | 1,634 |
| Brass, manufactures of | 247 | 323 | 453 | 613 |
| Candles of all sorts | 133 | 143 | 214 | 433 |
| Caoutchouc manufactures | 693 | 834 | 1,005 | 1,224 |
| Carriages, carts, &c. : | | | | |
| Railway carriages | 88 | 76 | 504 | 759 |
| " waggon, trucks, &c. ... | 388 | 215 | 782 | 1,577 |
| Motor cars and cycles | ... | ... | ... | 890 |
| Other sorts | ... | ... | ... | 374 |
| Cement | 366 | 693 | 871 | 520 |
| Chemical products or prepara- } tions, unenumerated, and } saltpetre | 2,606 | 4,842 | 3,793 | 5,168 |
| Clocks, watches, and parts thereof | 146 | 157 | 293 | 102 |
| Coal, cinders, &c. : | | | | |
| Fuel, manufactured | 124 | 197 | 283 | 722 |
| Copper, wrought or manufactured: | | | | |
| Mixed, or yellow metal for } sheathing | 796 | 1,022 | 1,056 | 741 |
| Unenumerated | 1,228 | 1,258 | 1,458 | 991 |
| Cordage cables, and ropes of } hemp, or like material } | 354 | 296 | 417 | 548 |
| Cotton twist and yarn | 14,671 | 11,902 | 13,813 | 7,404 |
| Cotton manufactures: | | | | |
| Piece goods | 52,307 | 57,678 | 51,665 | 55,215 |
| Lace and patent net | 839 | 1,974 | 2,453 | 3,066 |
| Hosiery... .. | 813 | 943 | 1,080 | 458 |
| Thread for sewing | 1,208 | 2,073 | 2,477 | 3,628 |
| Other manufacts., unenumerated | 1,578 | 994 | 1,260 | 2,687 |
| Total of cotton manufactures... | 56,745 | 63,662 | 58,935 | 65,054 |
| Earthen and china ware (in- } cluding bricks) | 1,869 | 2,256 | 2,165 | 2,096 |

TABLE XXI. (continued).

| ARTICLES EXPORTED. | 1870. | 1880. | 1884. | 1902. |
|--|--------|--------|--------|--------|
| (c) MANUFACTURED GOODS (continued):— | £ | £ | £ | £ |
| Furniture (household), cabinet and upholstery wares ... } | 231 | 481 | 716 | 905 |
| Glass } | 833 | 922 | 1,052 | 1,098 |
| Haberdashery and millinery including embroidery and needlework) } | 4,813 | 3,875 | 2,852 | 1,774 |
| Hardware and cutlery, unenum- erated } | 3,812 | 3,521 | 3,143 | 2,177 |
| Hats } | 527 | 1,006 | 1,151 | 1,220 |
| Implements and tools: | | | | |
| Agricultural } | 249 | 263 | 350 | 425 |
| Unenumerated } | 77 | 115 | 645 | 1,147 |
| Iron: | | | | |
| Bar } | 2,252 | 1,907 | 1,650 | 947 |
| Angle } | 62 | 76 | 292 | 80 |
| Bolt and rod } | 301 | 393 | | |
| Railroad iron and steel } | 8,756 | 5,072 | 4,142 | 4,154 |
| Wire of iron or steel (except telegraph) } | 366 | 828 | 693 | 1,043 |
| Sheets, and boiler and ar- mour plates } | 977 | 1,229 | 1,356 | 519 |
| Galvanised, other than wire } | 454 | 1,361 | 1,740 | 4,133 |
| Hoops } | 688 | 793 | 596 | 345 |
| Tin plates } | 2,363 | 4,458 | 4,747 | 4,333 |
| Anchors, grapnels, chains, and cables } | 382 | 265 | 323 | 477 |
| Tubes and pipes, wrought } | 324 | 452 | 500 | 1,010 |
| Nails, screws, and rivets } | 332 | 374 | 374 | 389 |
| Cast or wrought and all other manufactures, unenum- erated } | 2,369 | 2,700 | 3,383 | 3,231 |
| Steel, bar, of all kinds } | 985 | 987 | 886 | 1,766 |
| „ sheets } | 107 | 96 | 223 | 1,511 |
| Manufactures of steel, or of steel and iron combined } | 575 | 827 | 402* | 1,162* |
| Total of iron and steel } | 21,293 | 21,817 | 21,307 | 25,100 |
| Lead, rolled and sheet, piping and tubing } | 186 | 226 | 223 | 289 |
| Leather, wrought, boots and shoes Leather wrought, other articles, unenumerated } | 1,148 | 1,282 | 1,577 | 1,897 |
| | 300 | 375 | 341 | 595 |

* Exclusive of surgical, anatomical, and scientific instruments, which are included with "Other Manufactured Goods" for these years.

TABLE XXI. (continued).

| ARTICLES EXPORTED. | 1870. | 1880. | 1884. | 1902. |
|--|-------|-------|--------|--------|
| (c) MANUFACTURED GOODS (continued) :— | £ | £ | £ | £ |
| Linen and jute yarn ... | 2,434 | 1,212 | 1,452 | 1,571 |
| Linen piece goods (including sailcloth and sails) and other linen manufactures ... | 7,549 | 5,835 | 5,181 | 5,430 |
| Jute manufactures ... | 790 | 2,255 | 2,479 | 1,983 |
| Lucifer and vesta matches ... | 169 | 145 | 138 | 71 |
| Machinery and millwork : | | | | |
| Steam engines, or parts of, locomotive ... | 810 | 785 | 1,500 | 2,999 |
| Steam engines, or parts of, other descriptions ... | 1,188 | 2,001 | 2,679 | 2,481 |
| Not being steam engines, agricultural ... | 303 | 680 | 778 | 812 |
| Not being steam engines, other descriptions ... | 2,993 | 5,797 | 8,117 | 13,162 |
| Total machinery and millwork ... | 5,294 | 9,263 | 13,074 | 19,454 |
| Medicines ... | 615 | 814 | 893 | 1,368 |
| Musical instruments and parts thereof ... | 146 | 200 | 265 | 264 |
| Oil and floorcloth (including indiarubber cloth) ... | 219 | 383 | 635 | 1,466 |
| Painters' colours and materials ... | 884 | 1,174 | 1,294 | 1,972 |
| Paper : | | | | |
| Writing or printing and en- velopes ... | 428 | 856 | 1,107 | 1,122 |
| Hangings ... | 119 | 138 | 158 | 194 |
| Pasteboard, millboard, &c. (including playing cards) | 19 | 38 | 45 | 68 |
| Unenumerated (and articles of paper, except papier- mâché) ... | 84 | 208 | 222 | 356 |
| Perfumery of all sorts ... | 102 | 108 | 141 | 147 |
| Pictures, prints, engravings, drawings, &c. ... | 127 | 407 | 550 | 431 |
| Plate, gold and silver ... | 59 | 67 | 60 | 65 |
| Plated and gilt wares ... | 131 | 167 | 261 | 464 |
| Saddlery and harness ... | 327 | 436 | 381 | 583 |
| Ships and boats, new (not re- gistered as British), with machinery ... | — | — | — | 5,870 |
| Silk, thrown, twist, or yarn ... | 1,154 | 684 | 613 | 238 |
| Silk manufactures : | | | | |
| Of silk only ... | 1,035 | 1,603 | 1,209 | 941 |
| Of silk and other materials ... | 316 | 407 | 967 | 452 |
| Soap ... | 218 | 440 | 548 | 1,126 |

TABLE XXI. (continued).

| ARTICLES EXPORTED. | 1870. | 1880. | 1884. | 1902. |
|---|---------|---------|---------|---------|
| (c) MANUFACTURED GOODS (continued) :— | £ | £ | £ | £ |
| Stationery, other than paper ... | 489 | 724 | 847 | 1,286 |
| Stones and slates ... | 279 | 261 | 353 | 328 |
| Telegraph wires and apparatus ... | 2,523 | 1,301 | 2,509 | 2,839 |
| Umbrellas and parasols ... | 253 | 458 | 582 | 426 |
| Wood and timber, manufactured | 237 | 364 | 389 | 565 |
| Woollen and worsted yarn ... | 4,995 | 3,345 | 3,891 | 3,530 |
| Woollen & worsted manufactures: | | | | |
| Woollen stuffs ... | 4,750 | 6,736 | 7,931 | 5,500 |
| Worsteds ... | 13,788 | 7,232 | 8,718 | 6,367 |
| Blankets and blanketing ... | 645 | 587 | 502 | 309 |
| Flannels ... | 366 | 310 | 410 | 299 |
| Carpets, not being rugs ... | 1,393 | 1,134 | 1,258 | 870 |
| Shawls ... | 117 | 158 | 200 | 90 |
| Rugs, coverlets, or wrappers ... | 151 | 361 | 329 | 556 |
| Hosiery ... | 266 | 320 | 486 | 953 |
| Small wares and manufactures of wool or worsted, unenumerated ... | 190 | 418 | 302 | 310 |
| Total of woollen and worsted manufactures ... | 21,666 | 17,656 | 20,136 | 15,254 |
| Yarn, alpaca, mohair, and other sorts, unenumerated ... | 189 | 878 | 1,190 | 1,666 |
| Zinc ore and spelter, manufactures of | 57 | 41 | 34 | 38 |
| Other manufactured goods ... | 3,034 | 5,917 | 6,324 | 5,533 |
| Parcels post ... | — | — | — | 3,478 |
| Total ... | 175,566 | 186,710 | 195,842 | 216,902 |

SUMMARY OF FOREGOING TABLE.

| | 1870. | | 1880. | | 1884. | | 1902. | |
|--|---------|--------------------|---------|--------------------|---------|--------------------|---------|--------------------|
| | Amount. | Per cent. of Total | Amount. | Per cent. of Total | Amount. | Per cent. of Total | Amount. | Per cent. of Total |
| | £ | | £ | | £ | | £ | |
| Articles of Food | | | | | | | | |
| Drink and Tobacco ... | 7,607 | 4 | 8,825 | 4 | 9,490 | 4 | 15,514 | 5 |
| Raw Materials. | 16,414 | 8 | 27,525 | 13 | 27,701 | 12 | 51,008 | 18 |
| Manufactured Goods ... | 175,566 | 88 | 186,710 | 83 | 195,842 | 84 | 216,902 | 77 |
| Total Exports of British and Irish Produce | 199,587 | 100 | 223,060 | 100 | 233,025 | 100 | 283,424 | 100 |

TABLE XXII.

Statement showing the Proportion of Food, Raw Materials, and Manufactured Articles in the Domestic Exports of France, for each of the Years 1869, 1879, and 1900, compiled from the French official Returns, and the "Statistical Abstract for the Principal and other Foreign Countries" (1902); in thousands of pounds, i.e., 100 = 100,000.

| ARTICLES EXPORTED. | 1869. | 1879. | 1900. |
|-----------------------------------|--------|--------|--------|
| (a) ARTICLES OF FOOD :— | £ | £ | £ |
| Brandy, spirits, and liqueurs ... | 2,457 | 4,130 | 2,111 |
| Butter and cheese | 3,116 | 2,665 | 2,951 |
| Cattle, &c. | 1,351 | 893 | 619 |
| Eggs | 1,455 | 1,304 | 600 |
| Fruit | 1,707 | 1,332 | 1,448 |
| Grain and meal | 2,769 | 1,059 | 763 |
| Sugar, raw | 602 | 537 | 4,360 |
| Sugar, refined | 3,240 | 4,033 | 2,306 |
| Wines of all kinds | 13,447 | 10,308 | 9,115 |
| Other articles of food | 3,573 | 6,198 | 6,495 |
| Total of Food | 34,017 | 33,159 | 30,768 |
| (b) RAW MATERIALS :— | | | |
| Cotton, raw | 3,016 | 2,675 | 1,767 |
| Hides, raw | 971 | 2,110 | 4,152 |
| Horses, mules, &c. | 788 | 638 | 770 |
| Silk, raw and waste | 6,245 | 6,344 | 5,428 |
| Wood for building purposes ... | 1,292 | 869 | 1,994 |
| Wool, raw | 1,787 | 4,689 | 8,067 |
| Other raw materials | 7,383 | 7,885 | 25,314 |
| Total of Raw Materials | 21,482 | 25,210 | 47,492 |
| (c) MANUFACTURED ARTICLES :— | | | |
| Chemical products | 1,424 | 1,500 | 3,534 |
| Cotton, manufactures of | 3,074 | 2,633 | 6,900 |
| Glass and glassware | 911 | 790 | 2,799* |
| Gold and silver wares | 954 | 2,316 | 1,159 |
| † Haberdashery, &c. | 6,220 | 5,565 | 6,172 |
| Leather wares | 3,966 | 5,930 | 2,832 |
| Machinery | 595 | 921 | 2,536 |
| Paper and cardboard | 779 | 886 | 2,169 |
| Skins and hides, dressed | 3,242 | 3,846 | 4,572 |

* Earthenware and glass.

† Including umbrellas and parasols.

TABLE XXII. (*continued*).

| ARTICLES EXPORTED. | 1869. | 1879. | 1900. |
|--|--------|--------|---------|
| (c) MANUFACTURED ARTICLES (<i>continued</i> :— | £ | £ | £ |
| Tissues, silk... .. | 17,894 | 9,070 | 10,323* |
| „ woollen | 10,732 | 12,371 | 9,089† |
| Tools and other metal wares ... | 1,510 | 2,711 | 3,838 |
| Wearing apparel | 3,349 | 2,710 | 5,444 |
| Woollen yarn | 1,112 | 1,748 | 1,383 |
| Other manufactured articles ... | 14,742 | 16,518 | 46,634 |
| Total of Manufactured Articles | 70,504 | 69,515 | 85,988 |

* Silk and-waste silk, manufactures of.

† Wool manufactures.

SUMMARY OF FOREGOING TABLE.

| | (Amount. | | | Percentage. | | |
|-----------------|----------|---------|---------|-------------|-------|-------|
| | 1869. | 1879. | 1900. | 1869. | 1879. | 1900. |
| | £ | £ | £ | | | |
| Food | 34,017 | 33,159 | 30,768 | 27·0 | 26·0 | 18·7 |
| Raw Material . | 21,482 | 25,210 | 47,492 | 17·0 | 19·8 | 28·9 |
| Manufactures... | 70,504 | 69,515 | 85,988 | 56·0 | 54·2 | 52·4 |
| Total ... | 126,003 | 127,884 | 164,348 | 100 | 100 | 100 |

TABLE XXIII

Statement showing the Proportion of Food, Raw Materials, and Manufactured Articles in the Domestic Exports of Germany for each of the Years 1869, 1879, and 1900, compiled from the official Returns of Germany and the "Statistical Abstract for the Principal and other Foreign Countries" (1902); in thousands, i.e., 100 = 100,000.

| ARTICLES EXPORTED. | 1869.* | 1879. | 1900. |
|---|---------|---------|-----------|
| | Marks. | Marks. | Marks. |
| (a) FOOD:— | | | |
| Animals living | 79,200 | 107,040 | 8,038 |
| Beer | 3,400 | 25,400 | 22,228 |
| Butter | 26,800 | 22,000 | 5,632 |
| Grain and Flour | 286,300 | 350,000 | 134,990 |
| Hops | 18,200 | 22,300 | 25,286 |
| Sugar, raw | 10,600 | 58,200 | 111,192 |
| Sugar, refined | 4,500 | 21,390 | 105,146 |
| Other articles of food (including tobacco) | 138,126 | 154,640 | 105,488 |
| Total of Food { Marks | 567,126 | 758,970 | 518,000 |
| £ | 28,356* | 37,948 | 25,900 |
| (b) RAW MATERIALS:— | | | |
| Cotton, raw | 61,865 | 65,000 | 43,473 |
| Fuel | 97,200 | 84,200 | 272,707† |
| Hides and skins (including leather) | 36,504 | 47,480 | |
| Horses | 12,745 | 34,000 | 10,327 |
| Iron, pig | 12,814 | 25,610 | 10,242 |
| Wool | 74,026 | 66,440 | 21,930§ |
| Other raw materials | 472,506 | 622,930 | 867,321 |
| Total of Raw Materials { Marks | 767,660 | 945,660 | 1,226,000 |
| £ | 38,383* | 47,283 | 61,300 |

* The values for 1869 are estimated only.

† Coal and coke.

‡ Included in leather wares.

§ Wool, raw.

TABLE XXIII. (continued).

| ARTICLES EXPORTED. | 186 | 1879. | 1900. |
|---|---------|-----------|-----------|
| (c) MANUFACTURED ARTICLES :— | Marks. | Marks. | Marks. |
| Books, pamphlets, and other publications } | 23,000 | 22,200 | 148,930 |
| Cotton manufactures | 84,637 | 119,960 | 245,208 |
| Glasswares and earthenware | 51,500 | 55,000 | 46,676† |
| Leather wares | 31,784 | 51,750 | 52,497‡ |
| Machinery | 21,212 | 39,010 | 215,897 |
| Paper and paper-hangings | 17,000 | 26,100 | 74,128 |
| Tissues— | | | |
| Silk | 86,418 | 66,690 | 139,522§ |
| Woollen | 161,502 | 142,100 | 178,251 |
| Other kinds, and ready-made clothing } | 97,882 | 112,150 | 131,279 |
| Yarns, woollen | 32,292 | 24,400 | 56,807 |
| Other manufactured articles | 270,050 | 411,660 | 1,578,205 |
| Total manufac- } Marks | 877,277 | 1,071,020 | 2,982,000 |
| tured Articles } £ | 43,864* | 53,551 | 143,400 |

SUMMARY OF FOREGOING TABLE.

| | Amount. | | | Percentage. | | |
|---------------------------|----------|----------|----------|-------------|-------|-------|
| | 1869. | 1879. | 1900. | 1869. | 1879. | 1900. |
| Food | £ 28,356 | £ 37,948 | £ 25,900 | 25·6 | 27·3 | 11·2 |
| Raw Materials | 38,383 | 47,283 | 61,300 | 34·7 | 34·0 | 26·6 |
| Manufactured Articles . } | 43,864 | 53,551 | 143,400 | 39·7 | 38·7 | 62·2 |
| Total ... | 110,603* | 138,782 | 230,600 | 100 | 100 | 100 |

* The values for 1869 are estimated only.

† Glass and glass wares.

‡ Except gloves, rubber—

§ Silk manufactures.

Wearing apparel,

TABLE XXIV.

Statement showing the Proportion of Food, Raw Materials, and Manufactured Articles in the Domestic Exports of the United States for each of the Years 1870, 1880, and 1900, compiled from the Official Returns of the United States and the "Statistica Abstract for the Principal and other Foreign Countries" (1902), in thousands of dollars, i.e., 100 = 100,000.

| ARTICLES EXPORTED. | Years ended 30th June. | | Year ended 31st December |
|--|------------------------|----------|--------------------------|
| | 1870.* | 1880.* | 1900.* |
| (a) FOOD :— | Dollars. | Dollars. | Dollars. |
| Animals, living ... | 1,045 | 15,882 | 33,819 |
| Bread and breadstuffs : | | | |
| Indian corn ... | 1,289 | 53,298 | 84,285 |
| Wheat ... | 47,171 | 190,546 | 70,976 |
| Wheat flour ... | 21,170 | 35,333 | 68,018 |
| Other breadstuffs ... | 2,621 | 8,860 | 27,507 |
| Oilcake ... | 3,419 | 6,260 | 17,115 |
| Provisions : | | | |
| Bacon and hams ... | 6,123 | 50,988 | 58,144 |
| Beef, fresh ... | 1,940 | 7,442 | 29,308 |
| „ salted ... | | 2,881 | 3,156 |
| Butter ... | 592 | 6,691 | 9,233 |
| Cheese ... | 8,881 | 12,172 | |
| Lard ... | 5,933 | 27,920 | 42,034 |
| Others ... | 5,707 | 30,949 | 28,437 |
| Tobacco, and manufactures of | 22,705 | 18,442 | 32,624 |
| Other articles ... | 1,364 | 8,467 | 83,512 |
| Total of Food ... { Dollars | 129,960 | 464,131 | 589,162 |
| £ | 21,660† | 96,694† | 122,742† |
| (b) RAW MATERIALS :— | | | |
| Coal ... | 1,306 | 2,058 | 21,524 |
| Cotton, raw ... | 227,028 | 211,536 | 314,253 |
| Naval stores (resin, turpen- tine, tar, pitch, and spirits of turpentine ... | 3,277 | 4,585 | 13,030 |

* Exclusive of bullion and specie.

† In the year 1870 the conversions have been made at the currency rate of 3s. 4d. to the dollar, and in 1880 and 1900 at the average rate of 4s. 2d.

TABLE XXIV. (continued).

| ARTICLES EXPORTED. | Years ended 30th June. | | Year ended 31st December. |
|---|------------------------|----------|---------------------------|
| | 1870.* | 1880.* | 1900.* |
| (b) RAW MATERIALS (continued):— | Dollars. | Dollars. | Dollars. |
| Oil, mineral | 32,669 | 36,219 | 73,649 |
| Leather... .. | † | † | 27,169 |
| Tallow | 3,815 | 7,689 | 4,675 |
| Other unmanufactured articles | 5,402 | 12,461 | 503 |
| Total of Raw Materials... { Dollars | 273,597 | 274,554 | 535,594 |
| £ | 45,600 | 57,199 | 111,582 |
| (c) ‡ MANUFACTURED ARTICLES:— | | | |
| Agricultural implements ... | 1,069 | 2,246 | 15,980 |
| Cotton, manufactures of ... | 3,787 | 9 981 | 20,723 |
| Drugs, chemicals, medicines, and dye stuffs (including acids) ... | 2,495 | 3,531 | 13,772 |
| Iron and steel, and manufactures of ... | 13,48 | 14,716 | 129,633 |
| Leather, and manufactures of § | 673 | 6,760 | |
| Wood, and manufactures of ... | 13,735 | 16,237 | 11,514 |
| Other manufactured articles ... | 16,409 | 31,791 | 136,631 |
| Total of Manufactures... { Dollars | 51,651 | 85,262 | 328,253 |
| £ | 8,609 | 17,763 | 68,386 |

SUMMARY OF FOREGOING TABLE.

| | Amount. | | | Percentage. | | |
|-----------------------------|----------|----------|-----------|-------------|-------|-------|
| | 1870. | 1880. | 1900. | 1870. | 1880. | 1900. |
| Food | £ 21,660 | £ 96,694 | £ 122,742 | 28·6 | 56·3 | 40·5 |
| Raw Materials ... | 45,600 | 57,199 | 111,582 | 60·1 | 33·3 | 36·9 |
| Manufactured Articles ... } | 8,609 | 17,763 | 68,386 | 11·3 | 10·4 | 22·6 |
| Total... .. | 75,869 | 171,656 | 302 710 | 100 | 100 | 100 |

* Exclusive of bullion and specie.

† Included in manufactured articles in these years.

‡ Including spirits.

§ Included in raw materials in 1900.

|| In the year 1870 the conversions have been made at the currency rate of 3s. 4d. to the dollar, and in 1880 and 1900 at the average rate of 4s. 2d.

TABLE XXV.

Comparative Table showing the Population, Public Debt, Imports and Exports of the Australian Colonies and New Zealand for each of the Years—1873-1901. (From the Victorian Year Book and other Official Publications.)

VICTORIA (87,884 SQUARE MILES).

| Year. | Population on the 31st December. | Public Debt on the 31st December. | Imports. | Exports. |
|-------|--|---|-------------|-------------|
| | Thousand | Thousand £. | Thousand £. | Thousand £. |
| 1873 | 772 | 12,446 | 16,534 | 15,302 |
| 1874 | 783 | 13,991 | 16,954 | 15,441 |
| 1875 | 791 | 13,993 | 16,686 | 14,767 |
| 1876 | 802 | 17,011 | 15,705 | 14,196 |
| 1877 | 815 | 17,019 | 16,362 | 15,158 |
| 1878 | 827 | 17,022 | 16,162 | 14,926 |
| 1879 | 841 | 20,051 | 15,036 | 12,454 |
| 1880 | 860 | 22,061 | 14,557 | 15,955 |
| 1881 | 882 | 22,427 | 16,719 | 16,252 |
| 1882 | 906 | 22,103 | 18,748 | 16,194 |
| 1883 | 932 | 24,308 | 17,744 | 16,399 |
| 1884 | 961 | 27,527 | 19,202 | 16,056 |
| 1885 | — | 31,535 | 18,045 | 15,552 |
| 1886 | 1,003 | 30,114 | 18,531 | 11,795 |
| 1887 | — | * 33,199 | 19,022 | 11,351 |
| 1888 | — | 34,747 | 23,972 | 13,854 |
| 1889 | — | 37,627 | 24,402 | 12,735 |
| 1890 | — | 41,378 | 22,954 | 13,266 |
| 1891 | 1,140 | 43,610 | 21,712 | 16,067 |
| 1892 | 1,169 | 45,711 | 17,175 | 14,215 |
| 1893 | 1,176 | 46,145 | 13,284 | 13,309 |
| 1894 | 1,183 | 46,548 | 12,471 | 14,027 |
| 1895 | 1,186 | 46,939 | 12,472 | 14,548 |
| 1896 | 1,180 | 46,886 | 14,555 | 14,199 |
| 1897 | 1,183 | 46,929 | 15,454 | 16,740 |
| 1898 | 1,183 | 47,058 | 16,769 | 15,872 |
| 1899 | 1,189 | 48,354 | 17,953 | 18,568 |
| 1900 | 1,197 | 48,775 | 18,302 | 17,423 |
| 1901 | 1,209 | 50,014 | 18,927 | 18,646 |
| 1902 | — | — | — | — |

* Debt outstanding on 30th June for this and succeeding years.

TABLE XXV. (*continued*).

NEW SOUTH WALES (309,175 SQUARE MILES)

| Year. | Population on the 31st December. | Public Debt on the 31st December. | Imports. | Exports. |
|-------|--|---|-------------|-------------|
| | Thousand | Thousand £. | Thousand £. | Thousand £. |
| 1873 | 560 | 10,842 | 11,088 | 11,816 |
| 1874 | 584 | 10,516 | 11,294 | 12,346 |
| 1875 | 607 | 11,471 | 13,490 | 13,672 |
| 1876 | 630 | 11,760 | 13,673 | 13,004 |
| 1877 | 662 | 11,724 | 14,607 | 13,126 |
| 1878 | 694 | 11,688 | 14,769 | 12,966 |
| 1879 | 703 | 14,937 | 14,199 | 13,087 |
| 1880 | 739 | 14,904 | 13,950 | 15,525 |
| 1881 | 781 | 16,924 | 17,409 | 16,049 |
| 1882 | 817 | 18,721 | 21,281 | 16,717 |
| 1883 | 869 | 21,632 | 20,960 | 19,886 |
| 1884 | 921 | 30,102 | 22,827 | 18,252 |
| 1885 | — | 35,564 | 23,465 | 16,542 |
| 1886 | 1,002 | 41,064 | 20,974 | 15,556 |
| 1887 | — | 40,995 | 19,171 | 18,522 |
| 1888 | — | 44,093 | 21,299 | 20,920 |
| 1889 | — | 46,646 | 22,863 | 23,295 |
| 1890 | — | 46,030 | 22,615 | 22,146 |
| 1891 | 1,132 | 50,748 | 25,383 | 25,944 |
| 1892 | 1,192 | 49,157 | 27,177 | 21,972 |
| 1893 | 1,215 | 53,426 | 18,107 | 22,921 |
| 1894 | 1,239 | 53,701 | 15,802 | 20,578 |
| 1895 | 1,262 | 58,064 | 15,993 | 21,935 |
| 1896 | 1,279 | * 57,881 | 20,562 | 23,010 |
| 1897 | 1,302 | 58,592 | 21,744 | 23,751 |
| 1898 | 1,323 | 60,781 | 24,454 | 27,648 |
| 1899 | 1,344 | 61,580 | 25,594 | 28,445 |
| 1900 | 1,365 | 61,801 | 27,561 | 28,165 |
| 1901 | 1,380 | 61,480 | 26,928 | 27,351 |

* Debt outstanding on 30th June for this and succeeding years.

TABLE XXV. (*continued*).

QUEENSLAND (668,224 SQUARE MILES).

| Year. | Population on the 31st December. | Public Debt on the 31st December. | Imports. | Exports. |
|-------|--|---|-------------|-------------|
| | Thousands. | Thousand £. | Thousand £. | Thousand £. |
| 1873 | 147 | 4,783 | 2,885 | 3,543 |
| 1874 | 164 | 5,249 | 2,962 | 4,106 |
| 1875 | 181 | 6,435 | 3,328 | 3,858 |
| 1876 | 187 | 6,435 | 3,127 | 3,876 |
| 1877 | 203 | 7,685 | 4,069 | 4,361 |
| 1878 | 211 | 8,935 | 3,436 | 3,190 |
| 1879 | 218 | 10,192 | 3,081 | 3,434 |
| 1880 | 226 | 12,192 | 3,087 | 3,448 |
| 1881 | 227 | 13,245 | 4,062 | 3,540 |
| 1882 | 248 | 13,125 | 6,318 | 3,534 |
| 1883 | 287 | 14,908 | 6,233 | 5,277 |
| 1884 | 310 | 16,420 | 6,382 | 4,674 |
| 1885 | — | 19,321 | 6,422 | 5,243 |
| 1886 | 323 | 20,821 | 6,103 | 4,934 |
| 1887 | — | *23,442 | 5,822 | 6,454 |
| 1888 | — | 23,442 | 6,647 | 6,126 |
| 1889 | — | 25,962 | 6,053 | 7,736 |
| 1890 | — | 28,227 | 5,067 | 8,555 |
| 1891 | 394 | 29,556 | 5,079 | 8,305 |
| 1892 | 409 | 29,457 | 4,383 | 9,170 |
| 1893 | 418 | 30,640 | 4,353 | 9,633 |
| 1894 | 429 | 30,640 | 4,337 | 8,796 |
| 1895 | 441 | 31,957 | 5,347 | 8,983 |
| 1896 | 450 | 32,941 | 5,433 | 9,164 |
| 1897 | 460 | 35,070 | 5,249 | 9,092 |
| 1898 | 472 | 35,218 | 6,007 | 10,856 |
| 1899 | 482 | 35,227 | 6,764 | 11,943 |
| 1900 | 498 | 36,034 | 7,184 | 9,582 |
| 1901 | 511 | 38,535 | 6,376 | 9,249 |

* Debt outstanding on 30th June for this and succeeding years.

TABLE XXV. (*continued*).

SOUTH AUSTRALIA (903,425 SQUARE MILES).

| Year. | Population on the 31st December. | Public Debt on the 31st December. | Imports. | Exports. |
|-------|--|---|-------------|-------------|
| | Thousand. | Thousand £. | Thousand £. | Thousand £. |
| 1873 | 198 | 2,175 | 3,841 | 4,588 |
| 1874 | 205 | 2,990 | 3,983 | 4,403 |
| 1875 | 210 | 3,321 | 4,204 | 4,805 |
| 1876 | 226 | 3,837 | 4,576 | 4,816 |
| 1877 | 237 | 4,737 | 4,626 | 4,627 |
| 1878 | 248 | 5,330 | 5,720 | 5,355 |
| 1879 | 259 | 6,606 | 5,014 | 4,763 |
| 1880 | 268 | 9,866 | 5,581 | 5,575 |
| 1881 | 286 | 11,197 | 5,244 | 4,408 |
| 1882 | 294 | 12,473 | 6,708 | 5,360 |
| 1883 | 305 | 13,893 | 6,310 | 4,883 |
| 1884 | 313 | 15,474 | 5,749 | 6,624 |
| 1885 | — | 17,021 | 5,289 | 5,417 |
| 1886 | 313 | 18,340 | 4,853 | 4,489 |
| 1887 | — | 19,168 | 5,386 | 5,441 |
| 1888 | — | 19,148 | 5,704 | 7,070 |
| 1889 | — | 20,435 | 6,999 | 7,380 |
| 1890 | — | 20,401 | 8,377 | 8,982 |
| 1891 | 302 | 21,157 | 10,076 | 10,656 |
| 1892 | 334 | 21,231 | 7,517 | 7,999 |
| 1893 | 343 | 21,197 | 8,051 | 8,636 |
| 1894 | 347 | *21,753 | 6,316 | 7,529 |
| 1895 | 351 | 22,088 | 5,681 | 7,353 |
| 1896 | 352 | 22,867 | 7,263 | 7,743 |
| 1897 | 352 | 23,914 | 7,277 | 7,071 |
| 1898 | 355 | 24,065 | 6,299 | 6,979 |
| 1899 | 359 | 24,673 | 7,016 | 8,547 |
| 1900 | 361 | 26,132 | 8,174 | 8,191 |
| 1901 | 365 | 26,449 | 7,478 | 8,319 |

* Debt outstanding on 30th June for this and succeeding years.

TABLE XXV. (*continued*).

WESTERN AUSTRALIA (975,920 SQUARE MILES).

| Year. | Population on the 31st December. | Public Debt on the 31st December. | Imports. | Exports. |
|-------|--|---|-------------|-------------|
| | Thousand. | Thousand £. | Thousand £. | Thousand £. |
| 1873 | 26 | 3 | 297 | 265 |
| 1874 | 26 | 119 | 364 | 429 |
| 1875 | 27 | 135 | 350 | 391 |
| 1876 | 27 | 135 | 386 | 397 |
| 1877 | 28 | 161 | 363 | 373 |
| 1878 | 28 | 185 | 379 | 428 |
| 1879 | 29 | 361 | 407 | 495 |
| 1880 | 29 | 361 | 354 | 499 |
| 1881 | 30 | 511 | 405 | 503 |
| 1882 | 31 | 511 | 509 | 583 |
| 1883 | 32 | 611 | 517 | 447 |
| 1884 | 33 | 765 | 521 | 406 |
| 1885 | — | — | — | — |
| 1886 | — | — | — | — |
| 1887 | — | 1,281 | 832 | 605 |
| 1888 | — | 1,275 | 786 | 680 |
| 1889 | — | 1,372 | 818 | 761 |
| 1890 | — | 1,367 | 874 | 672 |
| 1891 | — | 1,614 | 1,280 | 799 |
| 1892 | 59 | 2,262 | 1,391 | 882 |
| 1893 | 65 | 2,260* | 1,494 | 918 |
| 1894 | 82 | 3,232 | 2,114 | 1,251 |
| 1895 | 101 | 3,978 | 3,775 | 1,333 |
| 1896 | 138 | 4,724 | 6,581 | 1,650 |
| 1897 | 162 | 6,818 | 6,331 | 3,940 |
| 1898 | 168 | 7,900 | 5,242 | 4,960 |
| 1899 | 171 | 8,938 | 4,474 | 6,986 |
| 1900 | 180 | 9,875 | 5,962 | 6,852 |
| 1901 | 195 | 11,709 | 6,454 | 8,516 |

* Debt outstanding on June 30th for this and succeeding years.

TABLE XXV. (*continued*).

TASMANIA (26,375 SQUARE MILES).

| Year. | Population on the 31st December. | Public Debt on the 31st December | Imports. | Exports. |
|-------|--|--|-------------|-------------|
| | Thousand. | Thousand £. | Thousand £. | Thousand £. |
| 1873 | 104 | 1,478 | 1,107 | 894 |
| 1874 | 104 | 1,477 | 1,258 | 925 |
| 1875 | 104 | 1,489 | 1,186 | 1,086 |
| 1876 | 105 | 1,520 | 1,133 | 1,131 |
| 1877 | 107 | 1,590 | 1,309 | 1,417 |
| 1878 | 110 | 1,747 | 1,325 | 1,316 |
| 1879 | 112 | 1,787 | 1,267 | 1,301 |
| 1880 | 115 | 1,944 | 1,369 | 1,512 |
| 1881 | 119 | 2,003 | 1,431 | 1,556 |
| 1882 | 122 | 2,051 | 1,671 | 1,587 |
| 1883 | 126 | 2,386 | 1,833 | 1,732 |
| 1884 | 131 | 3,202 | 1,656 | 1,476 |
| 1885 | — | — | — | — |
| 1886 | — | — | — | — |
| 1887 | — | 3,935 | 1,597 | 1,449 |
| 1888 | — | 3,981 | 1,611 | 1,334 |
| 1889 | — | 4,871 | 1,611 | 1,460 |
| 1890 | — | 6,029 | 1,898 | 1,487 |
| 1891 | — | 6,023 | 2,052 | 1,441 |
| 1892 | 150 | 5,922 | 1,497 | 1,347 |
| 1893 | 151 | 6,375 | 1,058 | 1,352 |
| 1894 | 153 | 7,339 | 980 | 1,489 |
| 1895 | 155 | 7,783 | 1,094 | 1,373 |
| 1896 | 157 | 7,782 | 1,192 | 1,497 |
| 1897 | 164 | 7,782 | 1,368 | 1,744 |
| 1898 | 168 | 7,721 | 1,650 | 1,803 |
| 1899 | 172 | 8,254 | 1,769 | 2,577 |
| 1900 | 173 | 8,511 | 2,074 | 2,611 |
| 1901 | 174 | 9,096 | 1,965 | 2,946 |

TOTAL COMMONWEALTH (*Including Inter-State Trade*).

| | | | | | | |
|------|-----|-----|-----|-----|--------|--------|
| 1901 | ... | ... | ... | ... | 68,130 | 75,000 |
|------|-----|-----|-----|-----|--------|--------|

TABLE XXV. (*continued*).

NEW ZEALAND (104,027 SQUARE MILES.).

| Year. | Population on the 21st December. | Public Debt on the 31st December. | Imports | Exports. |
|-------|--|---|-------------|-------------|
| | Thousand. | Thousand £. | Thousand £. | Thousand £. |
| 1873 | 296 | 10,914 | 6,465 | 5,610 |
| 1874 | 342 | 13,367 | 8,122 | 5,251 |
| 1875 | 376 | 17,400 | 8,029 | 5,829 |
| 1876 | 399 | 18,678 | 6,905 | 5,673 |
| 1877 | 418 | 20,691 | 6,973 | 6,327 |
| 1878 | 433 | 22,608 | 8,756 | 6,016 |
| 1879 | 464 | 23,958 | 8,375 | 5,743 |
| 1880 | 485 | 28,583 | 6,162 | 6,353 |
| 1881 | 501 | 29,659 | 7,457 | 6,067 |
| 1882 | 518 | 30,236 | 8,609 | 6,658 |
| 1883 | 541 | 31,385 | 7,974 | 7,096 |
| 1884 | 564 | 32,861 | 7,664 | 7,092 |
| 1885 | — | 35,790* | 7,480 | 6,820 |
| 1886 | 589 | 37,588 | 6,759 | 6,673 |
| 1887 | — | 38,226 | 6,246 | 6,866 |
| 1888 | — | 38,326 | 5,942 | 7,767 |
| 1889 | — | 38,483 | 6,309 | 9,342 |
| 1890 | — | 38,802 | 6,261 | 9,812 |
| 1891 | 627 | 38,845 | 6,504 | 9,566 |
| 1892 | 650 | 39,193 | 6,943 | 9,535 |
| 1893 | 672 | 39,729 | 6,912 | 8,985 |
| 1894 | 686 | 40,837 | 6,788 | 9,231 |
| 1895 | 699 | 43,051 | 6,400 | 8,550 |
| 1896 | 714 | 44,367 | 7,137 | 9,321 |
| 1897 | 729 | 44,963 | 8,055 | 10,017 |
| 1898 | 743 | 46,938 | 8,231 | 10,518 |
| 1899 | 756 | 47,874 | 8,740 | 11,938 |
| 1900 | 771 | 49,591 | 10,646 | 13,246 |
| 1901 | 788 | 52,966 | 11,818 | 12,881 |

* The figures are for the 31st of March for the year following that stated.

NOTE.—In addition to the debts shown in the above table, the Colonies had Treasury and Deficiency Bills outstanding amounting to

| | | | | | | | |
|--------|------------|--------|-----|-----|--------|------------|------|
| 1901 { | £5,882,000 | N.S.W. | ... | ... | 1901 { | £1,000,000 | W.A. |
| | £525,000 | Vict. | ... | ... | | £700,000 | N.Z. |

TABLE XXV. (*continued*).

DOMINION OF CANADA.

(*From the Canadian Statistics and the Colonial Abstract.*)

Number of Population, Amount of Public Debt, and Total Value of Imports and Exports, including Bullion and Specie, in each of the years 1873 to 1901.

| Years ending 30th June. | Population. | Debt.† | Imports. | Exports. |
|----------------------------|---------------------|-------------|-------------|-------------|
| | Thousand. | Thousand £. | Thousand £. | Thousand £. |
| 1873 | 3,686* | 20,802 | 26,669 | 18,706 |
| 1874 | Cannot be given. | 22,568 | 26,711 | 18,615 |
| 1875 | | 24,168 | 25,640 | 16,226 |
| 1876 | | 25,948 | 19,419 | 16,868 |
| 1877 | | 27,757 | 20,693 | 15,807 |
| 1878 | | 29,242 | 19,392 | 16,526 |
| 1879 | | 29,790 | 17,076 | 14,894 |
| 1880 | | 31,761 | 18,019 | 18,315 |
| 1881 | 4,325 | 32,374 | 21,944 | 20,477 |
| 1882 | Cannot be given. | 32,013 | 24,879 | 21,279 |
| 1883 | | 33,014 | 27,553 | 20,435 |
| 1885 | | 40,918 | 22,696 | 18,591 |
| 1886 | 4,726 | 45,855 | 21,755 | 17,761 |
| 1887 | | 56,134 | 23,197 | 18,394 |
| 1888 | | 58,462 | 22,787 | 18,535 |
| 1889 | | 59,121 | 23,676 | 18,327 |
| 1890 | | 58,790 | 25,039 | 19,880 |
| 1891 | 4,831 | 59,568 | 24,651 | 20,223 |
| 1892 | | 60,685 | 25,179 | 23,417 |
| 1893 | | 61,655 | 25,522 | 24,363 |
| 1894 | | 63,359 | 25,372 | 24,149 |
| 1895 | | 65,352 | 22,763 | 23,350 |
| 1896 | | 66,928 | 24,249 | 24,866 |
| 1897 | | 68,328 | 24,497 | 28,346 |
| 1898 | | 69,529 | 28,834 | 33,730 |
| 1899 | | 70,023 | 33,445 | 32,650 |
| 1900 | | 71,138 | 38,964 | 39,430 |
| 1901 | 5,172 | 72,890 | 39,126 | 40,374 |

* Census of 1871. † Total net liabilities of the Dominion and Provincial Governments.

NOTE.—In converting dollars into pounds sterling, the dollar is estimated at 4s. 2d.

SUMMARISED STATISTICS

OF THE POPULATION OF THE UNITED KINGDOM, AND THEIR
CONDITION FROM 1840 TO 1902.

| Year. | POPULATION. At the middle of the year. | REVENUE. Years ended 31st March. | NATIONAL DEBT. Amount on 31st March. | LOCAL TAXATION. Receipts of Local Authorities from all sources (a). | INCOME TAX. GREAT BRITAIN Amount of Property, &c., assessed. [Years ended 5th April] (b). |
|-------|--|--|---|---|---|
| | In Millions. | In Millions of £. | In Millions of £. | In Millions of £. | In Millions of £. |
| 1902 | 42'0 | 143'0 | 748 | — | 832'6 |
| 1901 | 41'5 | 130'4 | 691 | 135'4 | 799'4 |
| 1900 | 41'2 | 119'8 | 629 | 121'9 | 758'2 |
| 1899 | 40'8 | 108'3 | 628 | 111'2 | 729'5 |
| 1898 | 40'4 | 106'6 | 634 | 101'7 | 701'9 |
| 1897 | 40'0 | 103'9 | 641 | 98'3 | 668'2 |
| 1896 | 39'6 | 102'0 | 648 | 92'1 | 671'5 |
| 1895 | 39'3 | 94'7 | 657 | 92'3 | 652'1 |
| 1894 | 38'8 | (s) 91'1 | (r) 666 | 88'2 | 667'5 |
| 1893 | 38'4 | (s) 90'4 | (r) 671 | 82'5 | 674'0 |
| 1892 | 38'1 | (s) 91'0 | (r) 678 | 76'6 | 673'0 |
| 1891 | 37'8 | (s) 89'5 | (r) 684 | 70'5 | 661'0 |
| 1890 | 37'5 | (s) 89'3 | (r) 690 | 69'3 | 632'0 |
| 1889 | 37'2 | (s) 88'5 | (r) 698 | 67'1 | 608'0 |
| 1888 | 36'9 | 89'8 | (r) 706 | 66'8 | 600'0 |
| 1887 | 36'6 | 90'8 | 736 | 66'4 | 593'0 |
| 1886 | 36'3 | 89'6 | 742 | 68'3 | 593'0 |
| 1885 | 36'0 | 88'0 | 740 | 67'4 | 595'0 |
| 1884 | 35'7 | 86'2 | 746 | 62'8 | 592'0 |
| 1883 | 35'4 | 87'4 | 754 | 64'1 | 576'0 |
| 1882 | 35'2 | 84'0 | 761 | 67'7 | 565'0 |
| 1881 | 34'9 | 81'9 | 766 | 63'8 | 549'0 |
| 1880 | 34'6 | 79'3 | 772 | 62'9 | 541'0 |
| 1879 | 34'3 | 81'2 | 773 | — | 542'0 |

(a) The receipts of local authorities include money borrowed, Government contributions, and receipts from sales of property, &c.

(b) The tax was not extended to Ireland until the year 1853.

(r) These figures are not properly comparable with those for previous years on account of the cancellation of over £30,000,000 of Stock in 1887-8, and the transfer of an equivalent amount of Local Loans Assets to the Local Loans Fund. The Local Loans Stock now amounts to about £41,000,000.

(s) Exclusive of payments to Local Taxation Account, consisting in 1890-1, 1891-2, and 1892-3 of half the Probate Duty, the proceeds of certain Licence Duties, and a portion of the Beer and Spirit Duties.

SUMMARISED STATISTICS (*continued*).

| Year. | POPULATION. At the middle of the year. | REVENUE. Years ended 31st March. | NATIONAL DEBT. Amount on 31st March. | LOCAL TAXATION. Receipts of Local Authorities from all sources (a). | INCOME TAX. GREAT BRITAIN. Amount of Property, &c., assessed. [Years ended 5th April] (b). |
|-------|--|--|---|---|--|
| | In Millions. | In Millions of £. | In Millions of £. | In Millions of £. | In Millions of £. |
| 1878 | 33·9 | 77·7 | 772 | — | 542·0 |
| 1877 | 33·6 | 76·8 | 770 | — | 535·0 |
| 1876 | 33·2 | 75·5 | 771 | — | 544·0 |
| 1875 | 32·8 | 73·6 | 769 | — | 536·0 |
| 1874 | 32·5 | 75·5 | 773 | 45·5 | 515·0 |
| 1873 | 32·2 | 74·7 | 779 | 41·0 | 486·0 |
| 1872 | 31·9 | 73·1 | 786 | 38·7 | 456·0 |
| 1871 | 31·6 | 68·2 | 789 | 37·8 | 440·0 |
| 1870 | 31·3 | 73·7 | 795 | — | 419·0 |
| 1869 | 31·0 | 71·7 | 800 | — | 409·0 |
| 1868 | 30·7 | 68·7 | 800 | 36·5 | 404·0 |
| 1867 | 30·4 | 68·6 | 802 | — | 398·0 |
| 1866 | 30·1 | 67·2 | 805 | — | 388·0 |
| 1865 | 29·9 | 69·6 | 814 | — | 371·0 |
| 1864 | 29·7 | 69·6 | 818 | — | 347·0 |
| 1863 | 29·5 | 69·9 | 822 | — | 335·0 |
| 1862 | 29·2 | 69·3 | 822 | — | 328·0 |
| 1861 | 29·0 | 69·8 | 822 | — | 313·0 |
| 1860 | 28·8 | 70·3 | 823 | — | 312·0 |
| 1859 | 28·6 | 64·5 | 829 | — | 305·0 |
| 1858 | 28·4 | — | 832 | — | 304·0 |
| 1857 | 28·2 | — | — | — | 292·0 |
| 1856 | 28·0 | — | — | — | 286·0 |
| 1855 | 27·8 | — | — | — | 287·0 |
| 1854 | 27·7 | — | — | — | 287·0 |
| 1853 | 27·5 | — | — | — | 262·0 |
| 1852 | 27·4 | — | — | — | 259·0 |
| 1851 | 27·4 | — | — | — | 257·0 |
| 1850 | 27·5 | — | — | — | 256·0 |
| 1849 | 27·7 | — | — | — | 259·0 |
| 1848 | 27·8 | — | — | — | 256·0 |
| 1847 | 28·0 | — | — | — | 255·0 |
| 1846 | 28·0 | — | — | — | 253·0 |
| 1845 | 27·8 | — | — | — | 244·0 |
| 1844 | 27·5 | — | — | — | 244·0 |
| 1843 | 27·3 | — | — | — | 251·0 |
| 1842 | 27·0 | — | — | — | — |
| 1841 | 26·8 | — | — | — | — |
| 1840 | 26·5 | — | — | — | — |

(a) The receipts of local authorities include money borrowed, Government contributions, and receipts from sales of property, &c.

(b) The tax was not extended to Ireland until the year 1853.

SUMMARISED STATISTICS (*continued*).

| Year. | EDUCATION. Average attendance of Scholars in State-aided Schools. | | EMIGRATION. Number of British and Irish Emigrants (<i>d</i>). | PAUPERS. Number in receipt of relief at the beginning of the year (<i>e</i>). | CRIME. Number of Criminal Offenders convicted. |
|-------|--|------------------|--|---|---|
| | Great Britain. | Ireland. | | | |
| | In Thousands. | In Thousands. | In Thousands. | In Thousands. | In Thousands. |
| 1902 | 5,537 | 487 | 205·7 | 1,017 | 12·5 |
| 1901 | 5,368 | 482 | 171·7 | 1,000 | 11·9 |
| 1900 | 5,292 | 478 | 168·8 | 1,001 | 11·0 |
| 1899 | 5,249 | 514 | 146·4 | 1,012 | 11·8 |
| 1898 | 5,160 | 519 | 140·6 | 1,032 | 12·5 |
| 1897 | 5,094 | 521 | 146·5 | 1,024 | 12·0 |
| 1896 | 5,016 | 535 | 161·9 | 1,025 | 11·5 |
| 1895 | 4,900 | 520 | 185·1 | 1,015 | 11·9 |
| 1894 | 4,793 | 526 | 156·0 | 1,012 | 13·0 |
| 1893 | 4,643 | 527 | 208·8 | 973 | 13·1 |
| 1892 | 4,409 | 495 | 210·0 | 951 | 12·6 |
| 1891 | 4,288 | 506 | 218·5 | 975 | 12·1 |
| 1890 | 4,231 | 489 | 218·1 | 990 | 12·3 |
| 1889 | 4,186 | 508 | 253·8 | 1,017 | 12·3 |
| 1888 | 4,111 | 494 | 279·9 | 1,038 | 13·6 |
| 1887 | 4,019 | 515 | 281·5 | 1,030 | 13·6 |
| 1886 | 3,915 | 490 | 232·9 | 1,015 | 14·1 |
| 1885 | 3,827 | 502 | 207·6 | 987 | 14·0 |
| 1884 | 3,721 | 493 | 242·2 | 979 | 14·8 |
| 1883 | 3,560 | 468 | 320·1 | 1,015 | 15·0 |
| 1882 | 3,436 | 469 | 279·4 | 1,012 | 15·9 |
| 1881 | 3,274 | (<i>k</i>) 454 | 243·0 | 1,018 | 15·9 |
| 1880 | 3,156 | (<i>l</i>) 469 | 227·5 | 1,044 | 15·6 |
| 1879 | 2,980 | (<i>m</i>) 435 | 164·3 | 996 | 16·8 |
| 1878 | 2,782 | 437 | 112·9 | 929 | 17·0 |
| 1877 | 2,511 | 418 | 95·2 | 909 | 16·3 |
| 1876 | 2,340 | 417 | 109·5 | 932 | 16·6 |
| 1875 | 2,176 | 390 | 140·7 | 1,005 | 15·6 |
| 1874 | 1,985 | 395 | 197·3 | 1,021 | 16·1 |
| 1873 | 1,784 | 373 | 228·3 | 1,085 | 15·7 |
| 1872 | 1,651 | (<i>n</i>) 356 | 210·5 | 1,178 | 15·7 |

(*d*) The nationality of emigrants was not distinguished before 1853.

(*e*) The number of vagrants relieved is not included.

(*k*) The decrease is stated to be due to the relief which was given in 1880 being discontinued.

(*l*) The increase is stated to be due to food and clothing supplied at the schools through the Duchess of Marlborough, Mansion House, and *New York Herald* Committees.

(*m*) The decrease is stated to be due to exceptionally severe weather, and the prevalence of scarlatina and measles.

(*n*) The decrease is stated to be caused by the partial failure of the potato crop, and the prevalence of epidemics and distress.

SUMMARISED STATISTICS (*continued*).

| Year. | EDUCATION. Average attendance of Scholars in State-aided Schools. | | EMIGRATION. Number of British and Irish Emigrants (<i>d</i>). | PAUPERS. Number in receipt of relief at the beginning of the year (<i>e</i>). | CRIME. Number of Criminal Offenders convicted. |
|-------|--|------------------|--|---|---|
| | Great Britain. | Ireland. | | | |
| | In Thousands. | In Thousands. | In Thousands. | In Thousands. | In Thousands. |
| 1871 | 1,547 | 364 | 192·8 | 1,288 | 16·4 |
| 1870 | 1,454 | 359 | 202·5 | (<i>v</i>) 1,279 | 18·4 |
| 1869 | 1,333 | 359 | 186·3 | (<i>v</i>) 1,243 | 19·4 |
| 1868 | 1,242 | 355 | 138·2 | (<i>v</i>) 1,237 | 19·9 |
| 1867 | 1,147 | 322 | 157·0 | (<i>v</i>) 1,149 | 19·5 |
| 1866 | 1,082 | (<i>o</i>) 316 | 170·1 | (<i>v</i>) 1,105 | 19·0 |
| 1865 | 1,058 | 321 | 174·9 | (<i>v</i>) 1,162 | 19·8 |
| 1864 | 1,011 | 315 | 187·1 | (<i>v</i>) 1,198 | 20·1 |
| 1863 | 1,009 | 297 | 192·9 | (<i>v</i>) 1,329 | 21·5 |
| 1862 | 965 | 285 | 97·8 | (<i>v</i>) 1,125 | 21·3 |
| 1861 | 920 | 285 | 65·2 | (<i>v</i>) 1,058 | 19·6 |
| 1860 | 884 | (<i>p</i>) 263 | 96·0 | (<i>v</i>) 1,010 | 17·5 |
| 1859 | 801 | 269 | 97·1 | (<i>v</i>) 1,020 | 17·8 |
| 1858 | 761 | 266 | 95·1 | (<i>v</i>) 1,074 | 19·4 |
| 1857 | 627 | 269 | 181·1 | (<i>v</i>) 1,014 | 22·2 |
| 1856 | 571 | 262 | 148·3 | (<i>v</i>) 1,065 | 21·5 |
| 1855 | 538 | 237 | 150·0 | (<i>v</i>) 1,051 | 27·9 |
| 1854 | 461 | 254 | 267·0 | (<i>v</i>) 1,036 | 33·1 |
| 1853 | (<i>c</i>) 345 | — | 278·1 | (<i>v</i>) 1,046 | 32·3 |
| 1852 | 373 | — | — | (<i>v</i>) 1,110 | 34·8 |
| 1851 | 271 | — | — | (<i>v</i>) 1,176 | 39·0 |
| 1850 | 225 | — | — | (<i>v</i>) 1,336 | 41·0 |
| 1849 | — | — | — | (<i>v</i>) 1,666 | 45·5 |
| 1848 | — | — | — | — | 44·0 |
| 1847 | — | — | — | — | 40·3 |
| 1846 | — | — | — | — | 29·8 |
| 1845 | — | — | — | — | 27·2 |
| 1844 | — | — | — | — | 29·7 |
| 1843 | — | — | — | — | 32·3 |
| 1842 | — | — | — | — | 35·8 |
| 1841 | — | — | — | — | 32·2 |
| 1840 | — | — | — | — | 34·0 |

(*c*) For ten months only.(*d*) The nationality of emigrants was not distinguished before 1853.(*e*) The number of vagrants relieved is not included.(*o*) There is no definite explanation of the decrease, but 37 teachers are reported to have been arrested for complicity in Fenianism.(*p*) The decrease is stated to be due to the severity of the weather.(*v*) These figures are exclusive of the "Casual Poor" in Scotland, probably numbering about 5,000.

SUMMARISED STATISTICS (*continued*).

IMPORTS AND EXPORTS.

| Year. | IMPORTS.—Total Value of, into the United Kingdom. | EXPORTS.—Total Value of all, from the United Kingdom. | Total Value of Imports and Exports. |
|-------|---|---|--|
| | In Millions of £. | In Millions of £. | In Millions of £. |
| 1902 | 528 | 349 | 877 |
| 1901 | 522 | 348 | 870 |
| 1900 | 523 | 354 | 877 |
| 1899 | 485 | 330 | 815 |
| 1898 | 470 | 294 | 764 |
| 1897 | 451 | 294 | 745 |
| 1896 | 442 | 296 | 738 |
| 1895 | 417 | 286 | 703 |
| 1894 | 408 | 274 | 682 |
| 1893 | 405 | 277 | 682 |
| 1892 | 424 | 291 | 715 |
| 1891 | 435 | 309 | 744 |
| 1890 | 421 | 328 | 749 |
| 1889 | 428 | 315 | 743 |
| 1888 | 388 | 298 | 686 |
| 1887 | 362 | 281 | 643 |
| 1886 | 350 | 269 | 619 |
| 1885 | 371 | 271 | 642 |
| 1884 | 390 | 296 | 686 |
| 1883 | 427 | 305 | 732 |
| 1882 | 413 | 307 | 720 |
| 1881 | 397 | 297 | 694 |
| 1880 | 411 | 286 | 697 |
| 1879 | 363 | 249 | 612 |
| 1878 | 369 | 245 | 614 |
| 1877 | 394 | 252 | 646 |
| 1876 | 375 | 257 | 632 |
| 1875 | 374 | 282 | 656 |
| 1874 | 370 | 298 | 668 |
| 1873 | 371 | 311 | 682 |
| 1872 | 355 | 315 | 670 |
| 1871 | 331 | 284 | 615 |

SUMMARISED STATISTICS (*continued*).IMPORTS AND EXPORTS (*continued*).

| Year. | IMPORTS.—Total Value of, into the United Kingdom. | EXPORTS.—Total Value of all, from the United Kingdom. | Total Value of Imports and Exports. |
|-------|---|---|--|
| | In Millions of £. | In Millions of £. | In Millions of £. |
| 1870 | 303 | 244 | 547 |
| 1869 | 295 | 237 | 532 |
| 1868 | 295 | 228 | 523 |
| 1867 | 275 | 226 | 501 |
| 1866 | 295 | 239 | 534 |
| 1865 | 271 | 219 | 490 |
| 1864 | 275 | 213 | 488 |
| 1863 | 249 | 197 | 446 |
| 1862 | 226 | 166 | 392 |
| 1861 | 217 | 160 | 377 |
| 1860 | 211 | 165 | 376 |
| 1859 | 179 | 156 | 335 |
| 1858 | 165 | 140 | 305 |
| 1857 | 188 | 146 | 334 |
| 1856 | 173 | 139 | 312 |
| 1855 | 144 | 117 | 261 |
| 1854 | 152 | 116 | 268 |
| 1853 | — | — | — |
| 1852 | — | — | — |
| 1851 | — | — | — |
| 1850 | — | — | — |
| 1849 | — | — | — |
| 1848 | — | — | — |
| 1847 | — | — | — |
| 1846 | — | — | — |
| 1845 | — | — | — |
| 1844 | — | — | — |
| 1843 | — | — | — |
| 1842 | — | — | — |
| 1841 | — | — | — |
| 1840 | — | — | — |

SUMMARISED STATISTICS (*continued*).

SHIPPING.

| Year. | Total Tonnage of Vessels Entered and Cleared in the Foreign Trade. | Total Tonnage of Vessels Entered and Cleared in the Coasting Trade, Cargoes only (g). | Number of Persons employed, exclusive of Lascars. | Vessels belonging to the United Kingdom on December 31st (h). | |
|-------|--|---|---|---|-----------------------|
| | | | | Sailing. | Steam. |
| | In Millions of Tons. | In Millions of Tons. | In Thousands. | In Thousands of Tons. | In Thousands of Tons. |
| 1902 | 99.8 | 62.5 | 214.4 | 1,950 | 8,104 |
| 1901 | 97.3 | 60.8 | 210.5 | 1,990 | 7,617 |
| 1900 | 98.5 | 61.4 | 211.4 | 2,096 | 7,207 |
| 1899 | 97.8 | 60.6 | 210.3 | 2,246 | 6,917 |
| 1898 | 90.9 | 61.0 | 210.3 | 2,837 | 6,313 |
| 1897 | 90.2 | 63.0 | 209.5 | 2,589 | 6,363 |
| 1896 | 85.4 | 62.61 | 212.0 | 2,735 | 6,284 |
| 1895 | 80.5 | 60.0 | 212.4 | 2,866 | 6,121 |
| 1894 | 80.5 | 61.1 | 214.3 | 2,987 | 5,969 |
| 1893 | 74.6 | 58.9 | 216.2 | 3,038 | 5,740 |
| 1892 | 75.9 | 56.7 | 216.3 | 3,080 | 5,564 |
| 1891 | 74.8 | 56.9 | 216.4 | 2,972 | 5,307 |
| 1890 | 74.3 | 56.0 | 213.4 | 2,936 | 5,043 |
| 1889 | 71.9 | 56.3 | 210.3 | 3,041 | 4,718 |
| 1888 | 68.5 | 56.9 | 205.2 | 3,115 | 4,350 |
| 1887 | 65.2 | 52.6 | 185.0 | 3,250 | 4,085 |
| 1886 | 62.8 | 51.6 | 187.8 | 3,397 | 3,965 |
| 1885 | 64.3 | 51.8 | 198.8 | 3,457 | 3,973 |
| 1884 | 64.3 | 50.9 | 199.7 | 3,465 | 3,944 |
| 1883 | 65.0 | 50.9 | 200.7 | 3,514 | 3,728 |
| 1882 | 61.5 | 49.7 | 195.9 | 3,622 | 3,335 |
| 1881 | 57.9 | 49.2 | 192.9 | 3,688 | 3,004 |
| 1880 | 58.7 | 49.8 | 193.0 | 3,851 | 2,723 |
| 1879 | 52.7 | 48.8 | 193.5 | 4,069 | 2,511 |
| 1878 | 51.6 | 47.7 | 195.6 | 4,239 | 2,316 |
| 1877 | 51.5 | 46.9 | 196.6 | 4,261 | 2,139 |
| 1876 | 50.8 | 45.4 | 198.6 | 4,258 | 2,005 |
| 1875 | 46.3 | 43.6 | 199.7 | 4,207 | 1,946 |
| 1874 | 45.4 | 41.1 | 203.6 | 4,108 | 1,871 |
| 1873 | 44.4 | 40.6 | 202.2 | 4,091 | 1,714 |
| 1872 | 42.5 | 36.0 | 203.7 | 4,213 | 1,538 |
| 1871 | 41.5 | 36.8 | 199.7 | 4,375 | 1,320 |

(g) Until 1873, vessels engaged in the coasting trade, carrying minerals, British timber, and British quarried stone, fresh meat, and fish, and a few other articles, were omitted from the coasting returns. The increase caused by including these vessels was about $\frac{1}{4}$ million tons.

(h) Vessels belonging to the Channel Islands and the Isle of Man are included.

SUMMARISED STATISTICS (*continued*).SHIPPING (*continued*).

| Year. | Total Tonnage of Vessels Entered and Cleared in the Foreign Trade. | Total Tonnage of Vessels Entered and Cleared in the Coasting Trade, Cargoes only (<i>g</i>). | Number of Persons employed, exclusive of Lascars. | Vessels belonging to the United Kingdom on December 31st (<i>A</i>). | |
|-------|--|--|---|--|-----------------------|
| | | | | Sailing. | Steam. |
| | In Millions of Tons. | In Millions of Tons. | In Thousands. | In Thousands of Tons. | In Thousands of Tons. |
| 1870 | 36.6 | 36.6 | 196.0 | 4,578 | 1,113 |
| 1869 | 34.9 | 35.9 | 195.5 | 4,765 | 948 |
| 1868 | 33.7 | 35.5 | 197.5 | 4,878 | 902 |
| 1867 | 32.8 | 36.9 | 196.3 | 4,853 | 901 |
| 1866 | 31.3 | 37.2 | 196.4 | 4,904 | 876 |
| 1865 | 28.9 | 36.3 | 197.6 | 4,937 | 824 |
| 1864 | 27.2 | 35.0 | 195.8 | 4,930 | 697 |
| 1863 | 26.7 | 35.1 | 184.7 | 4,731 | 597 |
| 1862 | 26.5 | 34.9 | 173.9 | 4,397 | 538 |
| 1861 | 26.6 | 34.7 | 172.0 | 4,301 | 506 |
| 1860 | 24.7 | 34.0 | 171.6 | 4,204 | 454 |
| 1859 | 22.9 | 33.0 | 172.5 | 4,226 | 437 |
| 1858 | 22.3 | 31.6 | 177.8 | 4,205 | 452 |
| 1857 | 23.2 | 31.7 | 176.4 | 4,141 | 417 |
| 1856 | 21.6 | 30.5 | 173.9 | 3,980 | 386 |
| 1855 | 18.5 | 29.7 | 168.5 | 3,969 | 381 |
| 1854 | 18.7 | 31.1 | 162.4 | 3,943 | 306 |
| 1853 | 18.4 | 30.9 | 172.5 | 3,780 | 250 |
| 1852 | 16.1 | 30.0 | 159.6 | 3,550 | 209 |
| 1851 | 16.0 | 29.9 | — | 3,476 | 187 |
| 1850 | 14.5 | 30.1 | 151.4 | 3,397 | 168 |
| 1849 | 14.0 | 28.5 | 152.6 | 3,326 | 160 |
| 1848 | 13.3 | 29.5 | — | 3,249 | 151 |
| 1847 | 14.3 | 28.8 | — | 3,167 | 141 |
| 1846 | 12.4 | 28.7 | — | 3,069 | 131 |
| 1845 | 12.1 | 29.2 | — | 3,004 | 119 |
| 1844 | 10.3 | 25.9 | — | 2,931 | 114 |
| 1843 | 9.8 | 25.1 | — | 2,898 | 110 |
| 1842 | 9.1 | 24.9 | — | 2,933 | 109 |
| 1841 | 9.4 | 25.3 | — | 2,839 | 96 |
| 1840 | 9.4 | — | — | 2,680 | 88 |

(*g*) Until 1873, vessels engaged in the coasting trade, carrying minerals, British timber, and British quarried stone, fresh meat, and fish, and a few other articles, were omitted from the coasting returns. The increase caused by including these vessels was about $4\frac{1}{2}$ million tons.

(*A*) Vessels belonging to the Channel Islands and the Isle of Man are included.

SUMMARISED STATISTICS (*continued*).

| Year. | RAILWAYS. | | | Letters delivered per head of Population the United Kingdom. |
|-------|----------------------------------|------------------------------|--|--|
| | Receipts from Passenger Traffic. | Receipts from Goods Traffic. | Total Receipts from Passenger and Goods Traffic. | |
| | In Millions of £. | In Millions of £. | In Millions of £. | Number. |
| 1902 | 47·4 | 54·7 | 102·1 | 61 |
| 1901 | 46·6 | 53·0 | 99·6 | 59 |
| 1900 | 45·4 | 53·5 | 98·9 | 56 |
| 1899 | 43·7 | 52·1 | 95·8 | 55 |
| 1898 | 41·8 | 49·2 | 91·0 | 54 |
| 1897 | 40·5 | 47·8 | 88·3 | 50 |
| 1896 | 39·1 | 46·2 | 85·3 | 48 |
| 1895 | 37·4 | 44·0 | 81·4 | 47 |
| 1894 | 36·5 | 43·4 | 79·9 | 46 |
| 1893 | 35·8 | 41·0 | 76·8 | 47 |
| 1892 | 35·6 | 42·9 | 78·5 | 47 |
| 1891 | 35·1 | 43·2 | 78·3 | 47 |
| 1890 | 34·3 | 42·2 | 76·5 | 45 |
| 1889 | 32·6 | 41·1 | 73·7 | 44 |
| 1888 | 31·0 | 38·8 | 69·8 | 42 |
| 1887 | 30·6 | 37·3 | 67·9 | 41 |
| 1886 | 30·2 | 36·4 | 66·6 | 40 |
| 1885 | 29·8 | 36·9 | 66·7 | 39 |
| 1884 | 30·0 | 37·7 | 67·7 | 38 |
| 1883 | 29·5 | 38·7 | 68·2 | 37 |
| 1882 | 28·8 | 37·7 | 66·5 | 36 |
| 1881 | 27·7 | 36·8 | 64·5 | 35 |
| 1880 | 27·2 | 35·8 | 63·0 | 34 |
| 1879 | 25·9 | 33·5 | 59·4 | 33 |
| 1878 | 26·9 | 33·6 | 60·5 | 32 |
| 1877 | 26·5 | 34·1 | 60·6 | 32 |
| 1876 | 26·2 | 33·8 | 60·0 | 31 |
| 1875 | 25·7 | 33·3 | 59·0 | 31 |
| 1874 | 24·9 | 32·0 | 56·9 | 29 |
| 1873 | 23·9 | 31·8 | 55·7 | 28 |
| 1872 | 22·3 | 29·0 | 51·3 | 28 |
| 1871 | 20·6 | 26·5 | 47·1 | 28 |

SUMMARISED STATISTICS (*continued*).

| Year. | RAILWAYS. | | | Letters delivered per head of Population in the United Kingdom. |
|-------|----------------------------------|------------------------------|--|---|
| | Receipts from Passenger Traffic. | Receipts from Goods Traffic. | Total Receipts from Passenger and Goods Traffic. | |
| | In Millions of £. | In Millions of £. | In Millions of £. | Number. |
| 1870 | 19'3 | 24 1 | 43'4 | 27 |
| 1869 | 18'8 | 22'3 | 41'1 | 27 |
| 1868 | 18'4 | 21 9 | 40'3 | 26 |
| 1867 | 17'9 | 21'5 | 39'4 | 26 |
| 1866 | 17'4 | 20 8 | 38'2 | 25 |
| 1865 | 16'6 | 19'3 | 35'9 | 24 |
| 1864 | 15'7 | 18'3 | 34'0 | 23 |
| 1863 | 14'5 | 16'6 | 31'1 | 22 |
| 1862 | 13'9 | 15'2 | 29'1 | 21 |
| 1861 | 13'3 | 15'2 | 28'5 | 20 |
| 1860 | 13 1 | 14'7 | 27'8 | 20 |
| 1859 | 12'5 | 13'2 | 25'7 | 19 |
| 1858 | 11'7 | 12'3 | 24'0 | — |
| 1857 | 11'9 | 12'3 | 24'2 | — |
| 1856 | 11'4 | 11 8 | 23'2 | — |
| 1855 | 10'7 | 10'8 | 21'5 | — |
| 1854 | 10'2 | 10'0 | 20'2 | — |
| 1853 | — | — | — | — |
| 1852 | — | — | — | — |
| 1851 | — | — | — | — |
| 1850 | — | — | — | — |
| 1849 | — | — | — | — |
| 1848 | — | — | — | — |
| 1847 | — | — | — | — |
| 1846 | — | — | — | — |
| 1845 | — | — | — | — |
| 1844 | — | — | — | — |
| 1843 | — | — | — | — |
| 1842 | — | — | — | — |
| 1841 | — | — | — | — |
| 1840 | — | — | — | — |

SUMMARISED STATISTICS (*continued*).

| YEAR. | LONDON BANKERS' CLEARING HOUSE. Amount of Cheque, &c., passed. | BANK OF ENGLAND. | | | SAVINGS BANKS. Amount of Deposits at the end of each year <i>i</i>). |
|-------|--|---|--|--|--|
| | | Amount of Reserve at the end of each year. | Amount of Deposits at the end of each year. | Average mini- mum Rate per cent. of Discount. | |
| | In Millions of £. | In Millions of £. | In Millions of £. | Per Cent. | In Millions of £. |
| 1902 | 10,029 | *18·8 | *47·0 | 3 $\frac{1}{8}$ | 197·1 |
| 1901 | 9,561 | *21·4 | *48·6 | 3 $\frac{1}{8}$ | 192·4 |
| 1900 | 8,960 | *18·0 | *47·0 | 3 $\frac{1}{8}$ | 187·0 |
| 1899 | 9,150 | *16·3 | *42·3 | 3 $\frac{1}{8}$ | 181·6 |
| 1898 | 8,097 | *18·8 | *41·2 | 3 $\frac{1}{8}$ | 173·1 |
| 1897 | 7,491 | *19·5 | *43·5 | 2 $\frac{3}{8}$ | 163·4 |
| 1896 | 7,575 | *24·2 | *49·0 | 2 $\frac{3}{8}$ | 154·8 |
| 1895 | 7,593 | *33·6 | *59·0 | 2 | 143·2 |
| 1894 | 6,337 | *23·0 | *39·9 | 2 $\frac{1}{8}$ | 132·7 |
| 1893 | 6,478 | 15·5 | 33·8 | 3 $\frac{1}{8}$ | 122·8 |
| 1892 | 6,482 | 15·4 | 34·1 | 2 $\frac{3}{8}$ | 118·2 |
| 1891 | 6,848 | 13·1 | 36·0 | 3 $\frac{1}{8}$ | 114·5 |
| 1890 | 7,801 | 14·8 | 39·8 | 4 $\frac{1}{8}$ | 111·3 |
| 1889 | 7,619 | 9·6 | 28·6 | 3 $\frac{1}{2}$ | 108·1 |
| 1888 | 6,942 | 11·6 | 28·3 | 3 $\frac{1}{8}$ | 105·0 |
| 1887 | 6,077 | 12·0 | 27·8 | 3 $\frac{1}{8}$ | 101·2 |
| 1886 | 5,902 | 10·1 | 28·5 | 3 | 97·7 |
| 1885 | 5,511 | 11·4 | 29·1 | 3 | 94·1 |
| 1884 | 5,799 | 11·4 | 34·1 | 2 $\frac{1}{2}$ | 90·6 |
| 1883 | 5,929 | 12·3 | 30·8 | 3 $\frac{1}{8}$ | 86·8 |
| 1882 | 6,221 | 10·5 | 28·8 | 4 $\frac{1}{8}$ | 83·7 |
| 1881 | 6,357 | 10·6 | 30·5 | 3 $\frac{1}{2}$ | 80·3 |
| 1880 | 5,794 | 12·9 | 33·5 | 2 $\frac{3}{8}$ | 77·7 |
| 1879 | 4,886 | 15·0 | 38·0 | 2 $\frac{3}{8}$ | 75·8 |
| 1878 | 4,992 | 9·3 | 33·4 | 3 $\frac{1}{8}$ | 74·7 |
| 1877 | 5,042 | 12·2 | 26·1 | 2 $\frac{1}{8}$ | 73·0 |
| 1876 | 4,963 | 15·5 | 31·0 | 2 $\frac{3}{8}$ | 70·3 |
| 1875 | 5,686 | 9·2 | 27·5 | 3 $\frac{1}{8}$ | 67·6 |
| 1874 | 5,937 | 10·4 | 26·5 | 3 $\frac{1}{8}$ | 64·6 |
| 1873 | 6,071 | 11·8 | 29·9 | 4 $\frac{1}{8}$ | 61·7 |
| 1872 | 5,916 | 13·6 | 27·5 | 4 $\frac{1}{8}$ | 59·0 |
| 1871 | 4,826 | 15·3 | 30·2 | 2 $\frac{1}{8}$ | 55·8 |

* Last day of second week of December.

(i) The Post Office Savings Banks were established in 1861. The accounts for these banks are made up to the 31st December, and for the Trustees' Savings Banks to the 20th November.

SUMMARISED STATISTICS (*continued*).

| Year. | LONDON BANKERS' CLEARING HOUSE. | BANK OF ENGLAND. | | | SAVINGS BANKS. |
|-------|--|---|--|--|--|
| | Amount of Cheques, &c., passed. | Amount of Reserve at the end of each year. | Amount of Deposits at the end of each year. | Average mini- mum Rate per cent. of Discount. | Amount of Deposits at the end of each year (i). |
| | In Millions of £. | In Millions of £. | In Millions of £. | Per Cent. | In Millions of £. |
| 1870 | 3,914 | 14.7 | 26.3 | 3 $\frac{1}{8}$ | 53.1 |
| 1869 | 3,626 | 11.3 | 26.8 | 3 $\frac{1}{4}$ | 51.1 |
| 1868 | 3,425 | 9.9 | 26.8 | 2 $\frac{1}{2}$ | 48.5 |
| 1867 | — | 13.6 | 25.9 | 2 $\frac{1}{2}$ | 46.3 |
| 1866 | — | 12.3 | 27.3 | 7 | 44.5 |
| 1865 | — | 7.6 | 21.8 | 4 $\frac{1}{2}$ | 45.3 |
| 1864 | — | 9.4 | 21.6 | 7 $\frac{1}{2}$ | 44.5 |
| 1863 | — | 8.9 | 23.9 | 4 $\frac{1}{2}$ | 44.3 |
| 1862 | — | 9.7 | 23.8 | 2 $\frac{1}{2}$ | 42.3 |
| 1861 | — | 10.8 | 20.4 | 5 $\frac{1}{2}$ | 41.5 |
| 1860 | — | 7.6 | 19.3 | 4 $\frac{1}{2}$ | 41.3 |
| 1859 | — | 10.5 | 22.9 | 2 $\frac{1}{2}$ | 39.0 |
| 1858 | — | 13.3 | 22.7 | 3 $\frac{1}{2}$ | 36.2 |
| 1857 | — | 6.6 | 22.5 | 6 $\frac{1}{2}$ | 35.1 |
| 1856 | — | 6.0 | 17.6 | 5 $\frac{1}{2}$ | 34.9 |
| 1855 | — | 6.6 | 18.2 | 4 $\frac{1}{2}$ | 34.3 |
| 1854 | — | 8.4 | 17.3 | 5 | 33.7 |
| 1853 | — | 8.8 | 22.5 | 3 $\frac{1}{2}$ | 33.4 |
| 1852 | — | 12.5 | 21.6 | 2 | 31.8 |
| 1851 | — | 12.6 | 18.9 | 3 | 30.3 |
| 1850 | — | 10.4 | 20.2 | 2 $\frac{1}{2}$ | 28.9 |
| 1849 | — | 12.8 | 19.9 | 3 | 28.5 |
| 1848 | — | 11.8 | 17.5 | 3 $\frac{1}{2}$ | 28.1 |
| 1847 | — | 8.4 | 17.5 | 5 $\frac{1}{2}$ | 30.2 |
| 1846 | — | 9.4 | 18.0 | 3 $\frac{1}{2}$ | 31.7 |
| 1845 | — | 7.5 | 18.2 | 2 $\frac{1}{2}$ | 30.7 |
| 1844 | — | 9.8 | 15.7 | 3 $\frac{1}{2}$ | 29.5 |
| 1843 | — | — | — | 4 | 27.2 |
| 1842 | — | — | — | 4 $\frac{1}{2}$ | 25.3 |
| 1841 | — | — | — | 5 | 24.5 |
| 1840 | — | — | — | 5 | — |

(i) The Post Office Savings Banks were established in 1861. The accounts for these banks are made up to the 31st December, and for the Trustees' Saving Banks to the 20th November.

SUMMARY OF STATISTICS (*continued*).

| Year. | COAL PRODUCED.— Amount of. | PIG IRON PRODUCED.— Amount of, from British and Foreign Ores. | Average <i>Gazette</i> price of English Wheat per Quarter. | |
|-------|-------------------------------|---|--|----|
| | In Millions of Tons. | In Millions of Tons. | s. | d. |
| 1902 | 227 | 8 7 | 28 | 1 |
| 1901 | 219 | 7 9 | 26 | 9 |
| 1900 | 225 | 8 9 | 26 | 11 |
| 1899 | 220 | 9 3 | 25 | 8 |
| 1898 | 202 | 8 6 | 34 | 0 |
| 1897 | 202 | 8 7 | 30 | 2 |
| 1896 | 195 | 8 6 | 26 | 2 |
| 1895 | 190 | 7 7 | 23 | 1 |
| 1894 | 188 | 7 3 | 22 | 10 |
| 1893 | 164 | 7 0 | 26 | 4 |
| 1892 | 182 | 6 7 | 30 | 3 |
| 1891 | 185 | 7 4 | 37 | 0 |
| 1890 | 182 | 7 9 | 31 | 11 |
| 1889 | 177 | 8 3 | 29 | 9 |
| 1888 | 170 | 8 0 | 31 | 10 |
| 1887 | 162 | 7 6 | 32 | 6 |
| 1886 | 158 | 7 0 | 31 | 0 |
| 1885 | 159 | 7 4 | 32 | 10 |
| 1884 | 161 | 7 8 | 35 | 8 |
| 1883 | 164 | 8 5 | 41 | 7 |
| 1882 | 156 | 8 6 | 45 | 1 |
| 1881 | 154 | 8 1 | 45 | 4 |
| 1880 | 147 | 7 7 | 44 | 4 |
| 1879 | 134 | 6 0 | 43 | 10 |
| 1878 | 133 | 6 4 | 46 | 5 |
| 1877 | 135 | 6 6 | 56 | 9 |
| 1876 | 133 | 6 6 | 46 | 2 |
| 1875 | 132 | 6 4 | 45 | 2 |
| 1874 | 125 | 6 0 | 55 | 8 |
| 1873 | 127 | 6 6 | 58 | 8 |
| 1872 | 123 | 6 7 | 57 | 0 |
| 1871 | 117 | 6 6 | 56 | 8 |

SUMMARY OF STATISTICS (*continued*).

| Year. | COAL PRODUCED.— Amount of. | PIG IRON PRODUCED.— Amount of, from British and Foreign Ores. | Average <i>Gazette</i> price of English Wheat per Quarter. | |
|-------|-------------------------------|---|--|----|
| | In Millions of Tons. | In Millions of Tons. | s. | d. |
| 1870 | 110 | 6'0 | 46 | 10 |
| 1869 | 107 | 5'4 | 48 | 2 |
| 1868 | 103 | 5'0 | 63 | 9 |
| 1867 | 105 | 4'8 | 64 | 5 |
| 1866 | 102 | 4'5 | 49 | 11 |
| 1865 | 98 | 4'8 | 41 | 10 |
| 1864 | 93 | 4'8 | 40 | 2 |
| 1863 | 86 | 4'5 | 44 | 9 |
| 1862 | 82 | 3'9 | 55 | 5 |
| 1861 | 84 | 3'7 | 55 | 4 |
| 1860 | 80 | 3'8 | 53 | 3 |
| 1859 | 72 | 3'7 | 43 | 9 |
| 1858 | 65 | 3'5 | 44 | 2 |
| 1857 | 65 | 3'7 | 56 | 4 |
| 1856 | 67 | 3'6 | 69 | 2 |
| 1855 | 61 | 3'2 | 71 | 8 |
| 1854 | — | — | 72 | 5 |
| 1853 | — | — | 53 | 3 |
| 1852 | — | — | 40 | 10 |
| 1851 | — | — | 38 | 6 |
| 1850 | — | — | 40 | 3 |
| 1849 | — | — | 44 | 3 |
| 1848 | — | — | 50 | 6 |
| 1847 | — | — | 69 | 9 |
| 1846 | — | — | 54 | 8 |
| 1845 | — | — | 50 | 10 |
| 1844 | — | — | 51 | 3 |
| 1843 | — | — | 50 | 1 |
| 1842 | — | — | 57 | 3 |
| 1841 | — | — | 64 | 4 |
| 1840 | — | — | 66 | 4 |

SUMMARISED STATISTICS (*continued*).

CONSUMPTION PER HEAD OF POPULATION.

| Year. | Spirits. | Tea. | Sugar (g.). | Imported Wheat and Wheat Flour. |
|-------|----------|------|-------------|------------------------------------|
| | Gallons. | lbs. | lbs. | lbs. |
| 1902 | 1'05 | 6'1 | 84'0 | 267 |
| 1901 | 1'09 | 6'2 | 89'0 | 247 |
| 1900 | 1'11 | 6'0 | 87'1 | 244 |
| 1899 | 1'09 | 5'9 | 83'8 | 242 |
| 1898 | 1'03 | 5'8 | 84'7 | 233 |
| 1897 | 1'02 | 5'8 | 80'4 | 227 |
| 1896 | 1'01 | 5'7 | 84'9 | 256 |
| 1895 | 0'99 | 5'6 | 87'8 | 294 |
| 1894 | 0'96 | 5'5 | 79'8 | 255 |
| 1893 | 0'98 | 5'4 | 78'9 | 248 |
| 1892 | 1'04 | 5'4 | 77'8 | 253 |
| 1891 | 1'04 | 5'4 | 80'2 | 244 |
| 1890 | 1'02 | 5'2 | 73'2 | 226 |
| 1889 | 0'96 | 5'0 | 77'2 | 219 |
| 1888 | 0'93 | 5'0 | 71'1 | 224 |
| 1887 | 0'93 | 5'0 | 74'2 | 224 |
| 1886 | 0'94 | 4'9 | 66'7 | 188 |
| 1885 | 0'96 | 5'1 | 74'9 | 238 |
| 1884 | 1'01 | 4'9 | 72'7 | 192 |
| 1883 | 1'04 | 4'8 | 72'1 | 252 |
| 1882 | 1'05 | 4'7 | 70'6 | 242 |
| 1881 | 1'06 | 4'6 | 67'4 | 217 |
| 1880 | 1'07 | 4'6 | 63'4 | 209 |
| 1879 | 1'09 | 4'7 | 66'0 | 228 |
| 1878 | 1'17 | 4'6 | 58'6 | 187 |
| 1877 | 1'21 | 4'5 | 64'7 | 202 |
| 1876 | 1'25 | 4'5 | 58'8 | 167 |
| 1875 | 1'30 | 4'4 | 62'9 | 197 |
| 1874 | 1'27 | 4'2 | 56'4 | 162 |
| 1873 | 1'23 | 4'1 | 51'6 | 171 |
| 1872 | 1'15 | 4'0 | 47'4 | 163 |

(g) Sugar is now used as an article of manufacture as well as of personal consumption.

SUMMARISED STATISTICS (*continued*).CONSUMPTION PER HEAD OF POPULATION (*continued*).

| Year. | Spirits. | Tea. | Sugar (g). | Imported Wheat and Wheat Flour. |
|-------|----------|------|------------|------------------------------------|
| | Gallons. | lbs. | lbs. | lbs. |
| 1871 | 1'06 | 3'9 | 46'8 | 151 |
| 1870 | 1'01 | 3'8 | 47'2 | 123 |
| 1869 | 0'98 | 3'6 | 42'6 | 156 |
| 1868 | 0'98 | 3'5 | 42'0 | 130 |
| 1867 | 0'99 | 3'7 | 43'2 | 140 |
| 1866 | 1'01 | 3'4 | 41'2 | 105 |
| 1865 | 0'94 | 3'3 | 39'8 | 93 |
| 1864 | 0'90 | 3'0 | 36'8 | 104 |
| 1863 | 0'85 | 2'9 | 36'0 | 112 |
| 1862 | 0'83 | 2'7 | 36'0 | 185 |
| 1861 | 0'86 | 2'7 | 35'5 | 135 |
| 1860 | 0'93 | 2'7 | 34'1 | 119 |
| 1859 | 1'01 | 2'7 | 34'8 | 81 |
| 1858 | 0'98 | 2'6 | 34'5 | 88 |
| 1857 | 1'03 | 2'5 | 29'5 | 67 |
| 1856 | 1'01 | 2'3 | 28'3 | 85 |
| 1855 | 0'96 | 2'3 | 30'4 | 53 |
| 1854 | 1'13 | 2'2 | 33'7 | 73 |
| 1853 | 1'10 | 2'1 | 30'4 | 103 |
| 1852 | 1'10 | 2'0 | 29'3 | 69 |
| 1851 | 1'05 | 2'0 | 26'9 | 88 |
| 1850 | 1'04 | 1'9 | 25'3 | 82 |
| 1849 | 1'02 | 1'8 | 24'2 | 94 |
| 1848 | 0'97 | 1'8 | 24'9 | 37 |
| 1847 | 0'92 | 1'7 | 23'2 | 74 |
| 1846 | 1'01 | 1'7 | 21'0 | 48 |
| 1845 | 0'96 | 1'6 | 19'6 | 5 |
| 1844 | 0'87 | 1'5 | 16'8 | 17 |
| 1843 | 0'81 | 1'5 | 16'6 | 17 |
| 1842 | 0'82 | 1'4 | 16'0 | 52 |
| 1841 | 0'90 | 1'4 | 17'0 | 46 |
| 1840 | 0'97 | 1'2 | 15'2 | 42 |

(g) Sugar is now used as an article of manufacture as well as of personal consumption.

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